NATIO S BUSINE S

December 1923



In This Number

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The Transportation Conference

A Program for Legislation

The Coming Congress

An Interview on Banker Control

Talks of Laws to Help the Farmer

The Bogey of the Presidential Year

And Ten Other Important Articles, Contents Pages 5 and 7



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WHEN DOES A MATURITY FALL DUE IF INSTRUMENT IS

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2—70 days from date?
3—90 days from date?
4—1 month from date?
5—3 months from date?
5—3 months from date?
6—4 months from date?
Tues., March 31st, 1924
Mon., March 31st, 1924
Fri. Feb. 1st, 1924 (31 days)
Tues., April 1st, 1924 (91 days)
Thurs., May 1st, 1924 (121 days)

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Address.....(NB-12)



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"There must be some better way"

EVERY business man has seen times when everything seemed to go wrong. Collections did not come in because statements had failed to go out on time. There was a slip-up in taking advantage of discounts. Supplies were exhausted at a critical time and important work held up. The payroll was late. An error was made somewhere along the line that was buried until the trial balance was taken. A customer threatened to withdraw his patronage because of repeated errors in bills. And in all of these situations, there was no alibi. Something went wrong in the bookkeeping department.

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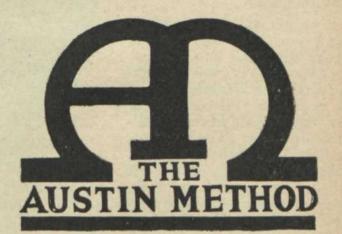
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"Expect Great Things"

—Cadillac

"Results, Not Excuses"

-Austin



CADILLAC can consistently ask its public to "expect great things"—because Cadillac does great things, itself. For example, its officials—convinced of the wisdom of bringing together all metal-pouring activities—have authorized the construction of a great modern Combined Foundry, in which there will be produced castings of grey iron, brass, aluminum—castings of better quality, and at a greater saving, than Cadillac has ever had before.

Austin gives the same tangible meaning to its motto "Results, Not Excuses": for Austin, during many years, has served Industrial America through the design, construction and equipment of some of the greatest and most successful manufacturing projects.

Consider just one feature of Austin performance—Unit Responsibility. Think what it would mean to you, on that next project of yours, to center the whole obligation upon one reputable, dependable organization, with a proved record covering more than a half century;

-to have the cost guaranteed and the time of delivery guaranteed; knowing that the guarantee would be kept;

-to realize that your individual problems would be worked out by Austin Engineers specializing in those particular matters;

-to know that the material and equipment specifications would be written, and all purchases made, according to contract;

—to know that Austin's own trained men, and not "floaters", would handle the whole job — office work, field work, and all;

—and to know that when the plant was turned over to you, it would be really complete — ready to start operating at a profit.

That is just one glimpse of the way Austin works. Other Austin facts—just as vital if you plan new buildings or extensions—will interest you still more.

In particular, we would like for you to read "Austin Unit Responsibility" and "The Advantages of Combined Foundries." Shail we send them?

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but it proved too much for him

SOME YEARS AGO, six members of the senior class of an eastern college held an informal meeting in their fraternity house a few weeks before their graduation.

"Let's agree to meet regularly once a year," said one of them. "We're scattering into different occupations. I'm going to medical school, Joe is taking up law, Ed is entering Boston Tech. The rest of you have the advantage over us. You are heading right into business and will probably be rich before we get thru with our professional work. But, rich or poor, let's have a reunion annually. What do you say?"

The other five agreed enthusiastically. The first reunion was one of unalloyed pleasure; they parted in high hopes.

Two years later one of the business men sent word that his business had gone into the hands of a receiver. Six years later (they were thirty by that time, and had wives and children) another of the business men failed to attend because of "reverses."

The doctor, the lawyer, and the engineer were building a permanent success on the foundation of a thoro knowledge of the underlying principles of their professions. Two of the three business men, having moved ahead satisfactorily for a little time, came to disaster, because they had not laid a solid foundation of training, as the professional men had done.

This advertisement is directed particularly to married men. A young man, without dependents, can perhaps afford to take a chance. If, at the end of two or three years, his business encounters difficulties which he cannot overcome, he is not too far along to pull out and start again.



But the man with a family owes it to his family to insure his business success by appropriating the experience and methods by which other men have succeeded.

The quickest and easiest way to secure that insurance is thru the Alexander Hamilton Institute, and these three important points should be remembered:

1. The Institute's training costs nothing. That is a literal fact. "It paid me a 200% dividend in less than two years," writes J. Henly Frier, Jr., of the Bassick Manufacturing Company. This magazine could be filled with similar quotations. The increase in your earning power, while you are reading the Course, will more than offset its modest cost.

2. The Institute's training is authoritative. Back of it is an Advisory Council consisting of these leaders in commerce, finance, and education:

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Alexander Hamilton Institute, Limited, C. P. R. Building, Toronto Australian Address, 42 Hunter Street, Sydney GENERAL COLEMAN DU PONT, the well known business executive.

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3. The Institute's training is interesting—a satisfaction, not a task. "In my long business experience I have never subscribed to anything from which I received greater inspiration for my work," says Charles E. Hires, of the Hires Root Beer Company.

Authoritative help; interesting, stimulating help; the assurance that your investment will come back to you in added earning power—these are the promises of the Alexander Hamilton Institute.

You are not asked to take them on faith. The Institute asks nothing but the privilege of laying the full facts before you, leaving the decision entirely in your hands.

The facts are contained in "Forging Ahead in Business" a 118-page book which is a worth-while addition to any business man's library. It will come to you without cost or obligation. If all three of the business men whose story is quoted above had sent for it, the story would have had a very different ending. For your family's sake, send for your copy today.

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Through the Editor's Spectacles

THE EDITOR of our esteemed contemporary, The Locomotive Engineers' Journal, writes his "reflections from abroad" in the September number most entertainingly. The heading of the article states:

For the first time in the history of the American labor movement, American workers have had an opportunity to get a first-hand acquaintance with the brilliant achievements of the organized workers and cooperators of Europe through a tour arranged by the Brotherhood.

We settle back in our chair to read the article and learn what the Locomotive Engineers' party saw at first hand of the "brilliant achievements" of organized labor abroad. The first paragraph begins:

Liverpool, England:

The same grimy docks, the same leaden sky, the same bleary-eyed idle men loafing around the waterfront. Flourishing saloons, ill-kept streets, and shabbily-dressed workers—Liverpool. This is the second year of unemployment for many of these men. They are eking out a miserable exist-ence on government unemployment doles and by picking up an odd penny here and there. Two shillings—46 cents—a day is a going wage for unskilled labor, with three shillings a top price. We had not been off the boat an hour ere we met the two typical queries—repeated a hundred times since: "Is there a chance for a good job in America?" and "How about prohibition?"

Not so good, we say. But we read the second paragraph describing the beauties of the Cumbrian Mountains, only to find that:

The waitress informs us that she wants to go to America. Why? Because her wage is 12 shillings a week (\$2.76), for which she is on duty 16 hours a day, with nothing ahead but drudgery.

Not so good, not so good, speaking of brilliant achievements, say we. But we read on:

In the hour before dinner I walk down toward the Clyde to see whether the Glasgow slums have been cleaned up since the sordid conditions of war days. The great shipyards along the river are mostly closed down, and men who used to earn an honest living are now hungry enough to have a long line before earn an honest living are now nungry enough to beg. Ragged children in a long line before a stale meat shop; pinched-faced women with dirty shawls hug children to their breasts as they hunt around the tracks for stray bits of coal; dilapi-dated houses and dirty alleys—this is what indus-trial depression means for the poor of Glasgow. No wonder a thousand emigrated to America last week, and many others tell us they are going!

And then I return to the hotel to have a very ample dinner that somehow doesn't taste well

after what I have just seen.

Of course, there are bright shop windows and gay theaters and plate-glass limousines and all of that—but how long can they exist when the foundation on which they rest is crumbling away in abject poverty?

We finish the page and Edinburgh "housed in gaunt tenements and squalid closes," her laborers eating "fish and chips instead of chicken with dressing for dinner," and we are too overcome with the "brilliant achievements" of Britain's organized labor to turn the page. And when we pause to compare American labor, riding under its own gasoline to its eight-hour work and its \$8, while we go abroad to study brilliant achievements—our American sense of humor gets the best of us.

MR. HENRY S. DENNISON'S assertion in the August number of The Nation's Business that "the average in post offices of mail coming in after 6 p. m. is now 70 per

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We can think of no man who can expose sham economics as successfully as George E. Roberts. Farmer boy, country editor, and banker, he knows the plain people and writes that they may understand. His National City Bank Bulletin is perhaps more widely circulated than any other like publication in the country. Here he talks of government ownership, plainly and pointedly, but shows the folly of our adventure into shipping and the waste of our federal control of railroads.	
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The Healthy Trade of Holland By Frederick Simpich This is the third of Mr. Simpich's articles on what our foreign competitors are doing in the fight for foreign trade. Little Holland takes but small space on the map, but her importance in the world of export and import is out of all proportion to her size. Her colonies are vast, and their sources of oil and rubber are of first-rate importance to the American business man, as the author here sets forth.	. 33
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cent" drew comment from Charles M. McCabe, postmaster at Nashville, Tenn. He says the average for the Nashville office is now below 27 per cent, a condition explained by the business community's acceptance of his recommendations to mail early, to use precancelled stamps, and to tie mail in bundles. Mr. McCabe is resourceful and perseveringhe believes his innovations are important to Nashville's progress and he makes widespread

use of printer's ink to tell how time can be saved in using the mails.

Ways and means to develop new business ways and means to develop new business for his city interest him. To that purpose he established a trade extension section in the post office "to sell the post office to its patrons." Every week the section publishes The Nashville Business Man's Letters for sales promotion, and an outside man has been appointed to make calls on business men. The

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Washington, D. C.

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Nashville, Tenn.

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Letters are sent to many cities and are read by many executives. The results of Mr. McCabe's work are reflected in an increase of 21.3 per cent in the receipts at the Nashville office for the first eight months of 1923 over a similar period of 1920. The overtime and auxiliary expense for the first eight months of 1921 was \$18,167; for the first eight months of 1923, \$10,822—a saving of 40 per cent. The office has had no additional clerks since September 1, 1920.

In appreciation of Mr. McCabe's work, the Nashville Chamber of Commerce resolved to

commend highly . . . in originating and putting into operation such changes in post office administration as to bring heretofore-unthought-of workings of this department of our government to a high state of business efficiency and public service.

Now we are certain that more business can be put in government, and that competition is possible within a monopoly.

CAPTAIN JOHN ANDERSON'S story of the operation of a municipal ferry in Seattle, printed in the October number of THE NATION'S BUSINESS, drew editorial comment from the New York Commercial.

Municipal ferries are in operation in that city, and we are told that deficits are piling up just as they did in Seattle. This being a huge city, the deficit is absorbed in the tax rate without being such a burden as it was in Seattle, but the principle is the same.

The ferry service is to be supplemented, it seems, by a local trolley car service over the Williamsburg bridge, and the corporations using the bridge threaten to withdraw their cars with the establishment of the municipal service.

To the Commercial's way of thinking, "operation by politicians and by practical transportation men are two different things."

Quite so, quite so. And in their difference of operation the returns of financial management range from deficits to dividends. If you like your transportation political you are likely to pay for your choice in higher taxes. If you like it practical-well, read Captain Anderson's story again.

HUMAN energy is hard put to keep pace with the high-speed jobs of our times. Zeal sometimes overdraws its account of health, and so it is that men of great usefulness are bankrupted of their strength. But some there be who take thought of their physical resources. Consider the case of Samuel Vauclain, president of the Baldwin Locomo-

tive Works at Philadelphia.

About five years ago Mr. Vauclain took stock of his health and concluded that he needed expert counsel to keep him fit. To that purpose he made a ten-year contract with a physician, with the retainer for the first year increased each year during the term of the contract. The increase of payment was put into the contract because Mr. Vauclain believed that the greater his age, the physician's obligation to keep him well would become harder to meet. Should Mr. Vauclain become sick, the annual fee is to be reduced in proportion to the duration of the illness.

Of the success of the arrangement Mr. Vau-

clain says:

In that time I have not lost a day from business, nor have I been ill in any way. I am heavier, stronger and more active than I was five

The equality of the traditional ounce of prevention and the well-known pound of cure has long stood as a glib caution to consider the frailties of our clay. Mr. Vauclain has demIn This Number

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The writer tells how and why it is done. The Map of the Nation's Business..... By Frank Greene 62 A bird's-eye view of the business situations over the country. Conditions in the East are not so strong; elsewhere holding up well. Production Geared to Home Needs By Archer Wall Douglas .. 66 The United States is becoming adapted to European derangement. A new movement by labor unions described in an important new book which is here outlined. Chips From the Editor's Work Bench..... tobacco. Trade Paper Digest . . . A cross-section of trade-press comment on current subjects, including the new national wheat marketing committee, house cleaning in the United Mine workers, the new Congress and coal, etc. commercial and trade organizations are doing; helpful alike to secretaries and to organizations. Government Aids to Business..... Human Nature in Business..... By Fred C. Kelly...... 93 Vol. 11

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.

onstrated that the prevention of sickness is worthy of a premium.

ADAM SKRLAC, of McAlister Avenue, North Chicago, and Mary Madjeruh, late of Jugo-Slavia, are happily married. They were schoolday sweethearts in a little town near Zagreb. Adam left the homeland for America with the promise to send money for

Mary's steamship fare. He sent the money in 1921, but somehow it did not reach Mary. Time after time she wrote that the money had not come. Many ships from his native land came to America, but they did not bring to Adam his Mary.

The waiting was too much for Adam. He told his friend Andro Pucin of his trouble. Andro told E. H. Clifford, secretary of the MEMBER ASSOCIATED PRESS

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THE CHRISTIAN SCIENCE MONITOR

Published in Boston and Read Throughout the World

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Waukegan Chamber of Commerce. Mr. Clif-ford told the National Chamber. The National Chamber told the State Department at Washington. The State Department told the American consul at Zagreb. The consul got

For two years the affair stood as unfinished business. But obstacles could not prevail against the interest of a great organization of business men and the diplomacy of a great nation. Mary got aboard ship for America. So Adam and Mary were married, and their wedding is fresh testimonial that men in cham-

ber of commerce work run the gamut to serve the welfare of their communities. And we have always held that business is only a workaday costume for that hustling sprite, Romance.

And to you, Adam and Mary, may you have and hold all that you desire from fortune!

"No SOONER had I finished reading the article in your November number on the future of transportation," writes a St. Paul reader, "than I came across the enclosed advertisement:

Skywriting is operated exclusively in the United States by

The Skywriting Corporation of America

who have purchased all U. S. letters patent and pending patent applications issued to, or owned, or filed by Major J. C. Savage.

The processes of forming Morse or written signals in the air by means of smoke or other visible trails emitted from an aircraft and the apparatus used in connection therewith are covered by Patents issued and pending in America and abroad. Vigorous action will be taken against infringers.

Reads like one of the ads Rudyard Kipling wrote twenty years ago to go with his prophetic story, "With the Night Mail."

REDERICK A. RIEHLE, of Philadelphia, sends us this editorial program:

Fight to pass laws to make the unions incorporate and become responsible for unlawful ac-

Fight the Ku Klux Klan. Fight the bootleggers.

Fight for enforcement of the laws of the land. Fight against pettyfogging lawyers among representatives and senators and high officials.

You have the biggest opportunity I know of and should have and will have millions of readers.

Stand for righteousness in any and every form and down with selfishness, unfairness and de-bauchery, industrially, politically and diplomatically.

Go to it.

A MODERN Rip Van Winkle foreign trader, awakening today after a ten year's sleep would rub his eyes to note an official statement that Germany's trade with us this year to date was 572,000,000,000,000,000,000

MR. CHARLES J. WRIGHT, secretary of The Colorado Investment & Realty Co., Colorado Springs, Colo., writes to the point:

It seems to me too bad that so much should be said and written about the awful condition of the farmer when as a matter of fact this condition is being rapidly improved. It is bound to adjust itself shortly if let alone. Undoubtedly some plan for helping the farmer market his crops should be devised, not only for the sake of

the farmer but for the sake of the country as a whole, and it seems to me that you might well devote a good deal of thought and time to that subject; but I think also that you could render a great service not only to the country as a whole, but to the farmer as a class, if you could in some way suppress some of the loud-mouthed politicians who are apparently desirous of riding to political fame on the backs of the farmers.

THE SEASON for jokes about useless Christmas gifts is upon us. Soon we shall read of the embroidered suspenders which descend upon the man who always wears a belt; of the cigars for him who always smokes a pipe; of flasks for Presbyterian preachers. It may be that truth underlies these jests.

To the man who seeks a present for a business friend or associate our subscription ser-vice man has a suggestion. He believes that many would look with favor upon giving a NATION'S BUSINESS subscription at about this

The result of that suggestion you will find in this magazine. Enclosed is a subscription blank with an un-filled-out check form at-tached, the whole thing made as convenient for you as possible. If you are disposed to give The Nation's Business as a gift, you will find the blank form slipped in somewhere in the front part of the issue. The subscription department tells me that the first copy of the gift subscription will be timed so as to arrive during Christmas week.

WE DIPPED deeply into verse this month for a serious-minded business publication, but if the four pages devoted to Daniel Henderson's stirring lines and R. L. Lambdin's engaging illustrations aren't worth while, then

our editorial judgment is at fault.

Mr. Henderson's pocket-sized epic was a competitor for the prize offered by the Clark Equipment Company for the best verse on the Spirit of Transportation. Previously they had carried on a most successful competition for American paintings on this theme, and our readers haven't forgotten the reproduction of that series in the magazine. Mr. Henderson's stanzas were tied with another competitor for the second prize, among more than a thousand entries; and although we may be violating a confidence, we might whisper to you that at least one of the judges thought them the

HERE'S a thought-provoking letter from an old railroad employe, John Aiton, of Dallas, Texas:

Please see page 19, September issue of The NA-Tion's Business, column 2, where it says the biggest task of railroads is to get new capital. I am getting old, and have spent years in transportation, and I want to tell you that the time is here when each employe of a railroad should own at least one share of its stock. No one should hold a transportation job a month without getting one share of the stock, either buying it himself, or arranging to buy it, or have the management arrange to furnish it. The effects of employes having a stock ownership are very far reaching, and apparently have no bad features. Gabby men will hush up pretty quick when

every transportation man and woman owns a share or more of their road's stock. They will rally to its defense naturally. I own a little stock here and there, but being no longer an employe I am classed as a capitalist and unworthy of decent treatment when I talk of fair play for the

No railroad man is playing fair by his job if he yells for more money or less work and refuses to furnish his road the trifling cost of one share of stock, but on the other hand expects outsiders to furnish large sums for new cars, rails, etc. Where is the inducement for outsiders to put in one dollar new capital if the operating staff is not



T will cost you less. Perhaps the major-I ity of persons have an exaggerated idea of the cost of a European trip. Learn today at what a moderate cost you can now fulfill your dream of seeing Europe. Find out today about the new low Winter Rates and the advantages of Europe in Winter.

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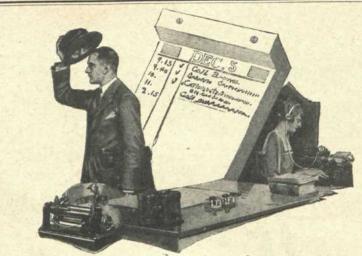
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Information Section U. S. 2119

Please send without obligation the literature described above. I am considering a trip to Europe \square , to the Orient from Seattle \square , to the Orient from San Francisco \square , to South America \square .

My Street No. or R. F. D.



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She will profit from added responsibility. You will profit from a mind freed for con-structive work.

HE business does not pay you for hand and footwork alone. Think. Then get your thinking put into action.

Dictate to The Dictaphone full instructions for handling that desk-cluttering routine. The Dictaphone will take them any time—in or out of hours. Your stenographer then becomes a secretary to play her part in directing details-in collecting data necessary for tomorrow's decisions or action. Your time is freed for constructive effort that requires work-day thought—conference—perhaps time spent away from the office.

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Let The Dictaphone demonstrate its varied usefulness to you. We will gladly install one in your office and give you and your stenographer the simple instructions for its use.

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- I Send special book for Busy Executives.
- ☐ Want trial installation.
- Have representative call.

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Trained Organization, Established Reputation, Nation-wide Business, Advantageous Location, Photographic and Art Service, Copy Writing if desired, Large Modern Equipment.

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A. B. MORSE COMPANY, St. Joseph, Mich.

financially interested also? How can an executive ask me for funds if he refuses to ask his employes also?

I say that until all transportation executives demand stock ownership by every employe the public is going to stay very shy of the investment. So, Mr. Editor, will you use printer's ink aplenty to bring about widespread ownership, and thus bring about a community of interest that will result in peace and contentment?

"I PREDICT for your publication a great future," writes Mr. A. J. Verkouteren, C.E., of Camden, N J., "only you should be careful to keep out all articles to much have tional importance, not covering too much, but concentrate on those of greatest immediate importance for the whole nation, only by thor-oughly practical men, leaving others for the newspapers.'

A GENTLEMAN of Worcester, Mass., is vexed at us. He writes with short jabs as follows:

What have you done to reduce the Pullman car rates? What are you doing to reduce gasoline? What are you doing to kill off the Fish Cold Storage Monopoly? What have you done to allow more laborers to come into our country? have you done to reduce the price of coal? dare you to answer in your next issue.

And likewise J. H. Brumhall, of Boone, Iowa. He says:

We, in Iowa, don't need the services of a magazine which opposes the ex-service men's adjusted compensation bill in Congress. Keep your maga-We know too much of your organization

MR. FRANK GREENE, of Bradstreet's,

I have read with interest your comment on plausible lies. Today, I get a new one which reads as follows: "In 1921, according to the rereads as follows: "In 1921, according to the reports of Dun's and Bradstreets', 90 per cent of the failures in the printing business were in towns without a typothetae organization. Does it pay to belong to typothetae?"

As the lady standing on the edge of the Grand Canyon said, "Ain't nature grand?"

Further contributions to this collection of plausible lies respectfully solicited and will be joyously chronicled.

THERE are rumblings about the next Congress and its probable or possible legislation. We hear a good deal about the radical bloc and what it may do. John Callan O'Laughlin discusses this subject from the viewpoint of a man who spent ten years in the capital as chief correspondent of *The Chicago Tribune* and later Assistant Secretary of State. He has met personally the leading figures in our national life and, although the leading figures in the leadin though now in business, has kept in touch with politics and politicians, or, if you prefer, with statesmanship and statesmen. His is a reassuring and, we believe, a dependable view of what will happen when Congress gets into action.

WHEN we noted in our esteemed and readable Kansas Citian that the Kansas City Chamber of Commerce was considering "taking part in a National Anti-Letter Campaign" our head went up in the air and our nostrils dilated. For years this column has advocated the utter abolition and suppression of useless letters and here was our first recruit. Hurrah! We wrote Kansas City a fine letter, with exhortations to adhere to the faith. Our ex-ultation was changed to chagrin on receipt of this advice: "Typographical blunder. anti - letter campaign anti - letter campaign, anti - litter campaign,"

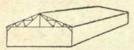
It seems we are still a lone crusader.

Sizes and Types for Every Need

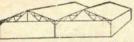
Every requirement can be met with Blaw-Knox Standard Buildings. Used in every industry for factories, machine shops, foundries, garages, repair shops, warehouses, bunk houses, meter houses, protection for men and machinery, watchman shelters, etc. Note the varied sizes - the limitless combinations.



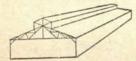
Type A-Widths, 4, 6, 8, 10, 12 and 14 ft. Height to eaves, 8 ft.



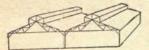
Type B—Widths, 16, 18, 20, 22, 24, 26, 28, 30, 40, 50 and 60 ft. Buildings 16 to 30 ft. wide are 8, 10, 12 or 16 ft. high (to caves). Larger sizes are 12, 16 and 20 ft. high.



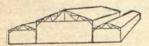
Type BB - Unit widths, 30, 40, 50 and 60 ft. Same heights as B.



Type C-Wichts, 30, 40, 50 and 60 ft. Heights for 30-ft. building are 8, 10, 12 and 16 ft. Others 12, 16 and 20 ft. high.



Type CC--Unit widths and



Type BXB—Unit widths 18 to 60 ft. Heights, Center unit 16, 20 and 24 ft. Side units 10, 12 and 16 ft.



Type BCB-Unit widths, 30, 40, 50 and 60 ft. Heights, 8, 10, 12 and 16 ft. for buildings 30 ft. wide. Heights, 12, 16 and 20 ft. for buildings 40, 50 and 60 ft. wide.



This Blaw-Knox Building is used for storing lime, where it is imperative that the structure be watertight

Unobstructed Daylight without "dodging" windows

No need to leave aisles to the windows when your storage houses are Blaw-Knox built.

A square foot of light in the roof is worth two in the wall. Blaw-Knox Standard Buildings, with patented leak-proof skylights, permit storing materials close to every wall and as high as you wish. Yet you have daylight in every corner, shining thru glass in the roof. Factory buildings, of every kind and widest span, may have daylight where you need it. Windows and doors to meet your needs; skylight roof lets in the light yet keeps out roughest weather.

They're Leak-proof

Blaw-Knox Skylights are built right into the sheets in the shops. They're a part of the roof itself. They can't leak. And, instead of weakening the roof, they actually make it stronger.

Blaw-Knox lockjoints, too, defy the stormiest weather.

Tell us just what you need, in storage or factory buildings. Let us show you how you save when you build the Blaw-Knox way.

See How You Save

Anyone can erect Blaw-Knox Standard Buildings, in winter as well as summer.

Made in the shop by machinery, first cost is unusually low. Quick delivery (shipped from stock) you get immediate use. Copper bearing steel, completely galvanized, lasts for 30 years or more with only three or four paintings.

Enlarge as wide or long as you wish with absolutely no waste.

Before you build get prices and plans and the Standard Building Book



BLAW-KNOX COMPANY

632 Farmers Bank Building PITTSBURGH, PA.

New York Baltimore Detroit Buffalo Birmingham London, Eng.

BLAW-KNOX CO., 632 Farmers Bank Bldg. Pittsburgh

Please send me a copy of the Blaw-Knox Standard Building Book.

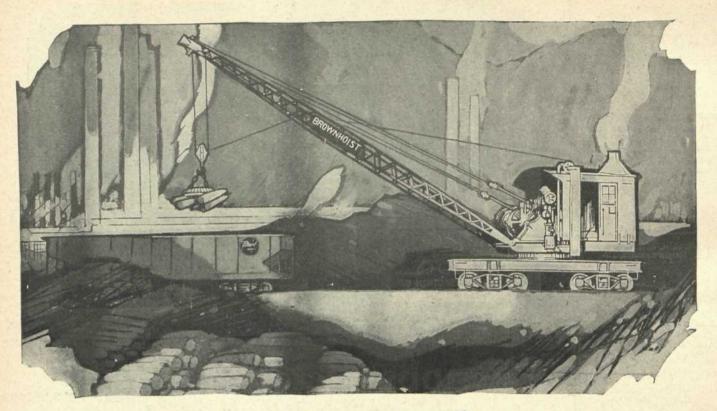
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Interested in building high, __wide, __long___ BUILDINGS

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"This Brownhoist crane has paid for itself many times over"

The Wilson Foundry and Machine Co., Pontiac, Mich., use this Brownhoist No 4 Crane in the yards to line up outgoing freight and unload materials. The above illustration shows it equipped with a magnet, being used in unloading iron.

Brownhoist Products

Heavy Dock Machinery Locomotive Cranes Monorail Trolleys Concrete Bunkers Chain Conveyors Belt Conveyors Bridge Cranes Coal Crushers Buckets, etc. For over seven years this Brownhoist has been serving the Wilson Foundry and Machine Company. They say:

"The Brownhoist crane which we purchased is running as well today as when we got it. The maintenance cost has been lower than on any similar machine with which we have had experience. It has paid for itself many times over and has given us no trouble whatever.

"We would never have been able to run our factory on the production basis on which it has been running for the past seven years without the aid of this Brownhoist crane."

The satisfactory experience of the Wilson Foundry has been paralleled by hundreds of users in every industry. These users find that Brownhoist equipment not only cuts their handling cost but in addition delivers consistent, year-after-year performance.

The advice of Brownhoist engineers is available to you for any type of handling problem.

The Brown Hoisting Machinery Co., Cleveland, Ohio Branch Offices: New York, Chicago, Pittsburgh, San Francisco, New Orleans, London, Eng.

BROWNHOIST

MATERIAL HANDLING MACHINERY

The NATION'S BUSINESS

VOLUME 11, NUMBER 13

DECEMBER, 1923

A Magazine for



Business Men

Team Play for Prosperity

CONGRESS will convene about the time
THE NATION'S BUSI-

THE NATION'S BUSINESS reaches its readers. It is a trite saying that there are serious problems before
Congress, the solution of which should well
enlist all the experience and ability and
devotion which these men in public life possess. But the overshadowing problem, and
one which as yet is not sufficiently appreciated,
in its importance and its portent, is the problem as to how Congress not only may solve
these public questions, but in their solution
and even in advance discussion of them, may
do it with such manifest soberness of judgment and fairness of purpose that the delicate
fabric of our economic life may not react
unfavorably.

One does not need to believe that business judgment is superior to political judgment. One does not need to believe that the ethics of politics are less advanced than the ethics of the business world. It is fairer to state that the ethics of both business and politics are manifestly higher than those of a generation ago. It is clear to honest judgment fairly applied that, in the main, men in public life and in the halls of Congress are largely actuated to the property of public service.

ated by the motive of public service.

But it is regrettably true that in the past there has been in public legislation a distrust of the advice and counsel of industrial and business leaders, and that business leadership, knowing from its actual experience that its advice is sound and knowing from its own conscience that it is sincerely tendered, without color of self-interest, has resented this attitude and oftentimes been reluctant to join legislation and administration in the solution of problems in which there is a common interest

All Changes Require Care

FEW MEN appreciate how intricate and delicate has become the vast structure of American industry. American genius for large-scale production, based on an enormous home market at the factory door, and the economic pressure in America, where there is so much to do and relatively so few workers to do it—these influences have created an industrial fabric that is peculiarly sensitive to shocks.

Large-scale production implies the enlargement of product per worker by the intricate machines and inventions which man's cunning brain have devised, under the stimulant of sure reward for superior genius and the economic menace of prospective failure which follows inefficiency.

follows inefficiency.

The equipment of industry thus, on a vast scale, with machines and labor-saving devices, has forced a large capital investment which requires ready and extensive credit. That credit is sensitive to the actual menace of ignorant or sinister legislation which touches credit and industry at a score of points.

Transportation, restricted in its develop-

Let Congress Cooperate with Industry for Everybody's Good

of fair

By JULIUS H. BARNES

ment by unwise regulation; taxation which destroys the incentive to venture into productive enterprise; the injection of Government needlessly into private activities in a way which stifles or repels superior ability and initiative, or by unfair competition, as in shipping, destroys the superior service of private enterprise; these, and the threat through public utterance by responsible members of Congress or responsible officers of Government, in such a delicate and widespread fabric of employment, are the influences which tend to shrink industry, and ultimately to create suspension and unemployment.

An American Ideal of Government

ON THE other hand, Government may by wise policies based on experienced and able counsel encourage and stimulate trade and commerce, on the activity of which rest the opportunity and employment of its people. A proper relation between Government and Industry would be one of intelligent team work, based on mutual confidence and trust. Its effect would cross the threshold of every American home. Such team work can maintain and develop the great fabric of production and distribution which is writing itself into the equipment of the American home today with a myriad of possessions which no other people in the world yet dare hope to attain in common use.

Bathrooms and plumbing, pure water and heating plants, telephones and phonographs, motion pictures and the radio; sewing ma-chines and vacuum cleaners; electric lighting and electric devices of all kinds; books, pictures and pianos; parks, museums and galleries; fourteen million automobiles on newlybuilt hard-surfaced roads; fifty-story skyscrapers, and the five-cent fare in thirty miles of underground subway; the security of employment which rests upon the manifold em-ployment competition, and the buying and earning power which rests upon that well-paid employment; well-filled fast trains, and crowded movies and theatres, congested public schools and constantly expanding universities-these are the parts of a picture which rst on industrial processes which Government can affect favorably or unfavorably, and which in a devotion to the welfare of its people must study with great care.

I conceive it to be the peculiar political philosophy of America that holds Government to be primarily for the purpose of preserving fair play and equal opportunity for every individual citizen that he may achieve his own place in the social structure by his own character and ability and willingness to

effort. In the growing complexity of our social structure the very preservation calls for certain aspects of

of fair play calls for certain aspects of regulation on the part of Government, and that regulation, when honestly intended and intelligently administered, can be

helpful, and not destructive.

The chief questions on which this coming Congress must consider the proper relation of Government and Industry fall naturally as

ollows:

- 1. TAXATION.
- 2. Transportation.
- 3. MERCHANT MARINE.
- 4. Immigration.
- 5. INTERNATIONAL RELATIONS.

There are certain thoughts suggested in respect to each of these, and in the light of the American conviction that private enterprises and individual initiative are very precious things in national life which translate themselves into national progress and national possessions as the aggregate of a myriad of stimu-

lated individual accomplishments.

Taxation. Surely there are honest men of large experience in the conduct of great industry whose advice can be listened to with public confidence. Does the present tax schedule frighten large capital from ventures into new industry, because, in the event of successful conduct, so large a per cent of individual earnings will be taken as to fail to offset the hazards of possible loss, which must be sustained alone? Does the present annual levy in all forms rest so heavily on individuals of all grades of income that there is a measure of discouragement, or sullen resentment? Is the machinery cumbersome, and the collection of various forms of excise such as to put a premium on fraud and deception, and to penalize the honest man?

Burden May Now Be Lightened

IT IS to be noted that national finances have been so well administered, aided by a budget system which business itself urged for years, that there is clear agreement that the tax burden could be lightened by between three hundred and five hundred million dollars, if there are avoided such drains on the National Treasury as the proposed Bonus Bill.

Here is a question of policy in taxation revision on which the most expert advice should be available to Congress. It happens that the National Government has as a Secretary of Treasury a man whose demonstrated ability and wide experience make him perhaps the ablest adviser the Government could possibly employ. In the conduct of the government finance, and for government advice on just such national questions as taxation, here is a public servant whose opinion on business policies would be eagerly sought by big business, and paid for, if obtainable, at a princely rate. Congress, and the Government, may have his advice for a salary which private

business would be ashamed to offer even to subordinates. Will Congress follow the matured and devoted advice of such a public servant? To follow it would be intelligent team play, indeed.

Transportation. The Transportation Act has been in effect for three years, the first two years complicated by the confusion inevitably attending the transfer from government control to private operation. A year ago we saw the great commercial structure of prices in this country thrown out of balance, and industry slowed up; farmers unable to market grain in the West, and dairymen unable to obtain necessary feed in the East; the whole fabric of distribution broken by inadequate and restricted service.

In the last year the picture has entirely changed. For months, no industry and no citizen has lacked ready and adequate transportation. By successive weeks, railroad car loadings exceeding one million cars have written a new record of distribution, and this is of itself paralleled by fifteen hundred thousand motor trucks on our highways, the evidence of enormous production and distribution, supplying every individual home with more and more articles for individual It is the rough-and-ready proof that earning and buying power in America has risen to a high level, for no such volume of goods could be produced and marketed except where wealth and buying power rested in the hands of millions of consumers.

Will Congress seek the advice and counsel of able and experienced men, hon-estly expressed, or will it, by legislation, set in motion theories which in the past have restricted credit, checked expansion of facilities, deprived industry and the farm of ready markets, slowed up employment, with resultant individual distress and disaster? It would be national team play, indeed, if Congress early reassured industry and agriculture that legislative regulation, under which this great revival of transportation service had been registered, would be altered with exceeding

caution, if at all.

Merchant Marine. America needs American-owned lines of ocean service. Ocean competition has no bulwark of protection such as lies within the national boundaries, but on the seas must meet the competition of other countries of lower living standards, and

therefore lower operating costs. Is it either wise or fair that nationallyowned steamers should be run in competition with privately-owned vessels, and the losses of nationally-owned steamers made up from the National Treasury, to which private owners

have no such access?

Would it not be fairer if there were adopted a policy of reimbursing private owners for the handicaps of ocean-wide competition, when those handicaps base themselves inherently upon nationally-framed shipping laws and the national policy of protection, which creates higher labor costs in both construction and operation? It would be national team work, indeed, if these questions were faced frankly and squarely, and a just solution sought which would preserve the national aspiration for the efficiency of private ownership, and the burdens laid by national policies and national legislation offset, in the interest of

Immigration. It is clear that for both economic and social reasons America believes that it can no longer throw wide its doors to all who have the means to cross the frontier. A policy of control and restriction is clearly one which the national judgment approves. But from the standpoint of traditional sentiment welcoming the worthy and ambitious seeking a new and wider opportunity, and from the standpoint of a balanced and healthy economic life, there should be frankly established a policy of selection.

A policy of selection which took due notice of individual health, and character, and took into consideration well-informed conviction of the changing present needs of various types of American industry, and fitted the permitted entrance of workers to the needs of undermanned industries, would be both intelligent and fair. It would be national team work to set up such revision of our immigration control as would establish this function of Government as an intelligent aid to industry, as well as a protection of our citizenship.

International Relations. No American can look toward Europe today without a due appreciation of the delicacy of our relations with the Old World. There is enough of honest-minded apprehension of involvement. enough of honest doubt as to the methods of helpfulness, to make most difficult the question of America's effective aid in the reestablishment in Europe of the atmosphere of peace.

There is a heavy responsibility resting on any man in public life who would embarrass the effective aid of America towards the recovery of these peoples on any motive that savored of selfish interest or of partisan political advantage. The web of international com-merce is easily strained and torn. The fabric of international finance is easily rent.

The advertised distrust of other peoples which would enjoin America from even sharing in the processes of international arbitration and adjudication-when arbitration has been the very tradition of American philosophy and business practice-creates, itself, a counter distrust which reflects not alone in international political relations but shrinks the flow of international trade on which the prosperity of our own agriculture and sections of industry must rest.

A democracy based on human good faith and mutual confidence, selects its executive officers, and prescribes in infinite detail the restrictions on their judgment and their acts which in other every-day practice on every hand condemn themselves for lack of flexibility, when meeting changing conditions that arise in modern economics and government.

It would be team work, indeed, if Congress, in respect to the questions of World Court, International Relations, and Allied Debt treatment, would invest its administrative officers with the same confidence and the same discretion, and the same freedom of action, which intelligent and successful private industry would do, in solving problems which are largely economic in character.

The question of intelligent team play between Government and industry runs with the continuity of Government through all the changes of political parties in power. America properly becomes partisan in the selection of administrative officers by popular election, but no change of political direction of national policies should affect the sound ground work of relation of that Government to industry. It is a record of great significance and great encouragement in the development of free government that through all the successive changes of party control of Government, there runs the record of a high type of experience and ability in executive offices. Our Cabinets under successive administrations have almost uniformly been men generally possessed of public confidence, and properly so.

It is to the credit of Congress that so often in the past the convictions and recommendations of these executive officers have been incorporated in legislation. It will be progress in team play when the Republic learns not only to rely on the judgment of such officers in framing proposed legislative acts, but the further step of enlarging the area of discretionary action entrusted to them.

This coming Congress will have a greater opportunity than any of its predecessors, and the Congress after that even greater than this one, for each succeeding year builds higher and wider the fabric of American industry touched by national legislation and national administration. Its success in preserving and extending the national prosperity which touches every home will be largely measured by its willingness to call into team play the experience and ability and devotion to public service which all sections of the people are increasingly willing to render.

The Chamber of Commerce of the United States believes that organized industry must, within itself, preserve those standards and

ethics which enlist public confidence; it believes that organized leadership must be equipped with the facts and figures which are convincing logic in the preservation of national industrial health. It believes in the devotion of this equipment, and the ability and experience which respond to its own call, to the development of team work between industry and Government.

It must be clearly comprehended that here is no proposal for preferential position of industry as a single section of the community in its relation to Government. The question is far broader than that. The interest of the worker first in continuous employment and second in adequate and fair wages, the interest of the farmer in a stable consuming market of sustained buying-power, and the interest of the general consumer who shares in the economy of team-play interpreted into the price of indus-try's products which the consumer must use; all these are wrapped up in the question of a proper relation of Government and industry leading directly into the welfare of every home.

THE WHITE HOUSE

October 17, 1923.

My dear Mr. Stowe:

The work of organizing the industrial The work of organizing the industrial and commercial agencies of every community, as carried on through Chambers of Commerce and like instrumentalities, is manifestly of the greatest importance in the proper development of each individual community. It has an extremely important place, also, in commection with the coordination of the interests and activities of different communities and sections of the country. A well conducted and intelligently directed organization of this kind is certain to be of great value to every citizen.

Very truly yours.

Mr. Albert J. Stowe, Secretary, Chamber of Commerce, Jacksonville, Florida.

The Blight of Government in Business

The Economic Test, Not Political Selection, Qualifies a Manager

half dozen or more of the governments of Europe are virtually despotisms, with authority in the hands of individuals, and in several instances individuals who have either seized upon the positions they hold by force or been installed in some irregular manner. Not to go east of Austria and Italy, in the former, Dr. Zimmerman, a foreigner, is in absolute control of all disbursements and revenues as a representative of the League of Nations, Italy, Mussolini is in control by

general consent, but without an election.

In Spain a general of the army issued a proclamation dissolving the parliamentary body and taking over the executive authority. In Germany the parliamentary body, helpless in its divisions and antagonisms, recognizing its own incapacity, voluntarily made the prime minister a dictator in order to protect the

while

country from anarchy.

In some quarters these movements, signifying, for the time being at least, abandonment of the republican form of government, have been commented upon as indicating the decadence of democracy and a triumph of reactionary parties. This doubtless is a misin-terpretation. It is not likely that any of these countries intend to go back to despotic governments as permanent institutions; nevertheless, the movement has important significance. It means that the people are tired of incompetency, tired of the rule of mediocrity, tired of endless speechmaking, buncombe and political self-seeking.

European Support to Competence

IN DESPAIR they welcome any change that 1 promises efficiency and economy in public affairs and relief from governmental med-

dling in private business.

Our situation is not so desperate as that of the European countries that have set up despotisms, but we can appreciate how they feel. There is ample reason for the people of this country to be sick of commissions of inquiry, commissions of regulation, and all the other agencies by which the Government is meddling in business affairs. In rare instances are the results adequate to justify the expenditure, and in general they simply represent a blind movement to supervise, regulate and restrict that individual enterprise and capacity which have been the main factors in social progress.

It is high time that we realized whence this modern craze for government regulation of business is carrying us. It represents a general purpose to equalize individual holdings and incomes, by efforts which almost invariably mean reducing all to a common dead level. The intent is prompted primarily by mistaken ideas about the sources of private fortunes and the results that flow from them. It is assumed that they are taken from other people and are of no benefit to anybody but

THIS is the first of two articles by Mr. Roberts, who, we think, is not only one of the most authoritative, but perhaps the most readable American economics writer, on the failures of government ownership and control.

Here, in pointed sentences, he shows the failure of the efforts to run the railroads, the folly of our ventures into shipping, the delusion that the postal service is an argument for government ownership.

Next month he talks with equal force of "government by commission."-THE EDITOR.

By GEORGE E. ROBERTS

the owners, neither of which assumptions will stand examination for a moment.

As a rule, private fortunes won in industry or trade represent services of much greater value rendered to the community, and the fortunes themselves exist in the form of property which is rendering continuous public service. In other words, the fortunes which are the objects of envy and cupidity consist of new wealth which instead of being taken from anybody was not in existence before, and instead of being of exclusive benefit to the owners constitutes the productive wealth of the

The productive property of the country, although privately owned, is part of the equipment of society, by which its wants are supplied. It is doing the same work that it would do if it were owned by the state, and prob-

ably doing it more effectively.

The theory of all this legislation for the control and regulation of business is that the individuals of superior ability or those who have been fortunate in acquiring capital will use their economic power to the disadvantage of the common people. The theory is demonstrated to be unsound by all experience. Individuals who win success must do so in the first place by rendering service, and their natural impulse is to use their accumulating capital in acquiring the facilities for rendering more service. All capital consists of property capable of being used in the production of something the public wants at a price the public is willing to pay. Property which cannot be so used has no value, or none as capital.

The chief significance of ownership is that it gives control over property and business, but men who have had the ability to acquire ownership of industries and to make them successful usually have desired to devote the incomes largely to the improvement and enlargement of them, in order to supply in-creasing public demands.

The industries of this country have been developed and built up mainly by such appli-cation of income. This increased supply of capital has created an increased demand for labor on the one hand, and on the other hand has furnished an increased supply of the comforts of life for the population.

We see in every branch of industry intense rivalry in improving the methods of production and in rendering service to the public. Every great industry now maintains a

department, research upon which it makes large expenditures, searching for means which will enable it to serve the public at lower cost.

In what way is it likely that surplus incomes from the industries could be more effectively used to advance the common welfare than by allowing the owners, under whose direction these industries have been successful, to use them for enlarging production?

At what stage in the careers of Thomas A. Edison, Henry Ford or Andrew Carnegie

would it have been to the advantage of the public to have had the Government step into their establishments and say that henceforth all surplus income should be diverted into the public treasury, to be disbursed by officials

at Washington?

Men of this type, who have demonstrated their capacity for industrial leadership, are the men who carry society forward; they are the men upon whom dependence must be placed for such an increasing capacity in the industries as will meet the needs of a growing population, and at the same time satisfy the aspirations of the people for a rising standard To take out of the hands of the leaders in industry by taxation expressly designed for that purpose, the surplus incomes which they would invest for industrial development, is to take from them the very means by which they do their work. It would not be done but for the general misunderstanding of the uses to which capital is put.

Able Leaders Benefit All

THE JUSTIFICATION of individualism is not merely in what it allows to the superior individual, but in the results that inure to all. It is in the interest of all to secure the most effective organization, the most effective management and the largest possible production. These cannot be had by adopting the fiction that all have equal ability for any posi-tion, or by any other system than that which

judges men by their individual qualifications.

The modern world cannot get along without organization and leadership. There must be executive authority to give direction to in-dustry. If we changed to the socialistic system with the ownership of all industries in the state, authority still would have to be

vested somewhere.

In the business world today the positions of leadership and responsibility are held by men who have been advanced to them under a system of competition and elimination. The test of fitness is an economic test, a test of ability to produce economic results-and the fact that as a rule the men in positions of responsibility have come up from the ranks is proof that the system is sound and effective.

Society cannot afford to change from the economic test of leadership to any arbitrary or political system of selection. There would be a lessening of incentive throughout the economic organization, a loss of ability in man-

agement and a loss of productivity everywhere. These results are quickly seen in any organization where favoritism or the strict rule of seniority governs promotions. Every proposal for government regula-

tion means a substitution to some extent of political authority over private management. It will be granted that there are instances in which the authority of the public must be exercised. Our whole system of jurisprudence is for this purpose, but in the conduct of ordinary business there seldom is anything to be gained by invoking it.

There are those who look upon busi-ness as a sort of routine performance doing the same thing over and over. They think that running a railroad is just moving a given number of trains back and forth daily. They don't see any reason

kind of ability that makes a man successful in political contests does not necessarily make a man successful as a business administrator.

Moreover, the very atmosphere in which government functionaries live is unfavorable to the rendering of judgments upon economic considerations. It is a political atmosphere. The whole situation is sicklied o'er with the paleor red-hue of politics. In an address before the Canadian Bar Association not long ago the Secretary of State, Mr. Hughes, said of one of the embarrassments of his office:

"Those in charge of foreign affairs do not dare to undertake to negotiate agreements because they know that in the presence of attack inspired by political or partisan motives the necessary adjustment could not receive approval of the legislative branch and would evoke such an acrimonious con-troversy on both sides that matters would be made worse instead of better."

In short, every act of a political administration is viewed by its adver-saries, and is likely to be considered by officials, first of all, as to its probable effect upon votes-not what will

be the economic effect, but what is likely to be the effect upon the next election. power of the political demagogue to confuse and mislead great numbers of people is well known, and every extension of the functions of government tends to extend his mischievous influence over the business community and over the every-day lives of the people. If the present trend continues, there soon will be no place for the specialist and experienced business executive in the affairs of the country.

The great body of legislators and officials undoubtedly are honest and sincere men, but the conditions of government administration are unfavorable to economical and progressive

management of business affairs.

Every venture that the Government makes in the field of business shows this inaptitude for such affairs. It took over the railroads for operation during the war, and it may be allowed that an emergency existed in the affairs of the Government which justified the The Government undoubtedly possessed powers of coordination which the companies did not have, but if there were any resulting economies, they were swamped in the whirlpool of losses. The government administration ran behind in the sum of \$1,800,-000,000, which the taxpayers of the country are obliged to make good. It is

> economic loss, for it was due in part to failure to increase charges, but in this it showed the characteristic weakness of governments, in failing to do business on business principles where public opposition must be faced.

true that this was not entirely an

An important part of the excess expenditure was pure waste in

why the Government should not run the railroads. Their conception of business is mere repetition.

Such persons are always excited over a showing of large profits, because they think large profits are proof of high prices and unfair treatment of the public whereas in all really notable instances, large profits are due to low costs, low prices and large volume of business. Sympathy is usually given to the inefficient producer, whose costs are high, who is on the verge of elimination, and whose elimination would signify that the industry had advanced beyond his ability to be an independent factor in it.

Business is not a routine performance. No business can remain successful unless the management is progressive, and that is why the Government cannot conduct business successfully, or even keep up with it closely enough to know how to regulate it successfully as a general proposition.

The government of a great country seems to embody so much power that illusions about what it can do are quite natural; but a government is no wiser than the individuals who compose it. In the last analysis the proposal that the government shall exercise its authority in a given matter means that a given individual, or a few individuals, shall have that authority, for which they may or may not have suitable qualifications. The



dealing with the labor question. The num-ber of employes on the payrolls steadily increased under federal control, and after the roads were returned to private control the number was steadily decreased until in the last six months of 1922 the railroads were handling as much traffic with four men as the federal administration was handling with five.

Before the roads were taken over by the Government, the piece-work system was generally in force in the railroad repair shops. The Government substituted the straight-time pay system. The companies have found the system more costly, and have tried to return to piece-work. The Railroad Labor Board forbade it. The New York Central officials, having reason to believe that many of their shopmen preferred to be paid for precisely what they did, recently had a vote taken in their shops. The result was 4,000 votes for piece-work and 10,000 for the time system with about 5,000 not voting.

The basis of all just compensation is service; somebody must create value behind every wage that is paid, and wherever it is practicable to base wages directly upon service performed, the policy surely is the correct one. The vote, although adverse to piecework, raises a strong presumption that the system is right. Even if the Labor Board adheres to its ruling, it would be too much to cite that as proof that the board should be abolished, but at least it shows the tendency of governmental supervision.

The tendency to overman the railroads under government management has been most pronounced in Europe, but everywhere gov-ernment-management is unprofitable. In the last two years the Canadian National Railways have run behind in the sum of

\$132,914,123.

The United States' adventure in the shipping field affords abundant material for study. Of course nobody would charge the entire loss on the investment in ships to mismanagement. The ships were built as a war measure, and if the Government had proceeded to get out of the shipping business promptly at the end of the war, the loss to that time would be properly chargeable to the war account. The ships might have been sold at good prices, and a large part of the loss which is now

faced thus averted.

The total investment in ships was about \$3,500,000,000. The aggregate amount received upon sales is not given, but the last report states that on June 30, 1922, the Government owned 1,275 steel ships, which cost about \$2,500,000,000. It owns about the same number today, of which about 900 are laid up; and a recent Washington dispatch says that the aggregate value of the entire fleet is estimated at \$226,733,315. The shipping

operations have been running behind at the rate of about \$50,000,000 per year.

The characteristic official view is presented by one of the commissioners in a recent speech, in which, replying to a statement that the government ships were carrying grain at a loss, he said: "Of course we are carrying grain at a loss, but the loss goes back to the American farmer." The same theory upon which the government-managed railroads carried freight at a loss! Freights were kept down to the shippers, but charged up to the taxpayers, who could be reached by a different kind of a levy.

Of course the problem of utilizing the ships is made far more difficult by the terms of the Navigation Act, through which Congress has laid regulations upon all American shipping, which handicap it in competition with the ships of other countries, but that is a further illustration of how political considerations hamper every effort of the Government in

the field of business. The postal service is the reliance of peo-

postal service for the use of the

government buildings in which post offices are located. The

cost of fuel, lights, and janitor

service is not charged in

business is not under the neces-

The government navy yards,

Government

postal expenses.

sity of paying its way.

arsenals, gun works, printing offices and mints. are none of them model industrial establishments, and this is not through the fault of the officials in charge, but through the inherent conditions of government administration. None of them could make their expenses in competition with privately owned rivals. Modern machinery has been delib-erately kept out of government establish-Modern machinery has been delibments by acts of Congress in order to keep more employes on the payrolls.

The separation of the executive functions

of the Government from the law-making function is a fundamental defect when the management of business is attempted. There is a division of authority and responsibility that is fatal to efficiency. The lack of continuity of management and policies is another funda-

mental defect.

In all the countries of Europe in which socialism ran riot in the years following the war there has been a revulsion of sentiment. as a result of the demonstration that government-management is not economical man-

ple who advocate government operations. agement. Even Ruspostal service has a great many faithful and capable men, but the management does not undergo the test of competition. Nobody claims that the charges are scientifically adjusted to the several branches of the service. It is notorious that same branches lose money and others make a profit, which means again that one class of patrons pays for services rendered to others. Nobody knows what the postal service costs. The government reports don't show, for a large part of the expenses are paid from outside the postal appropriations. There is no charge to the

> sia, under the pressure of necessity. is going back to private management.

In this country we have the demand for the Government to take a more active part in the management of the Federal Reserve banks; and the danger of political influence is a menace to the system; but in Europe, where the central banks have been made subservient to government policies of inflation, the central banks are being removed from government influence. In Aus-

tria, under the League-of-Nations plan for reorganization the monetary system, the bank of issue is made wholly independent of the Government, and in Germany a similar reform is proposed. Even in Russia, a new currency has been provided, issued by the state bank, with the pledge that issues will be solely upon banking principles. Everywhere it is being recognized that the political agencies are unfitted to deal with the monetary system.

Why Selling Costs Range High

By HARRY R. WELLMAN

Professor of Marketing, Amos Tuck School, Dartmouth College

NY DISCUSSION of the present high cost of marketing ought to be sufficiently broad in its scope to discuss fairly all of the many vehicles used and conditions encountered in reaching the market with any product. Too often we find comment and criticism aimed at conditions rather than intelligent discussion of the causes of the We read such conditions. statements as:

approximately "It costs eighty-three cents to sell and deliver the average dollar through commodity sold

stores."

'There is often 200 per cent to 600 per cent difference between the factory cost of a specialty and the retail price.

And being perfectly normal human beings, we resent it and immediately set about look-

ing for a convenient victim.

The usual victim is the middleman. "Why," we ask, "should we pay out all this money to keep these unnecessary men in business? What good do they do except to add to our cost of living?" We hear on to add to our cost of living?"

good authority that there are often as many as five middlemen between us and the final price. Whether we hear it or not, there are often ten or fifteen of these so-called "business parasites" between us and the point of manufacture.

It's all true. Costs have increased; middlemen have multiplied, and retailers have quadrupled. And why? Simply because you can't keep a cow in the kitchen, raise a garden in a window box, or build a washing machine in the cellar. Or to put it another

way, since we evidently prefer to live in or near a city, since nature produces raw materials far from their point of consumption, and since we insist on having what we want when we want it and at a particular place, someone must collect, store, ship and deliver to us in whatever amounts we can use best at the

place and time that suits us.

The present high cost of service is not introduced at this point either to befog the issue or to pass the buck to the ultimate consumer who gets this service. It is introduced merely to indicate one of the primary causes for the creation of the intricate marketing machinery we have today. Since we insist on service, let us at least take a sympathetic viewpoint in considering the monster that we have unconsciously created. Let us take our share of the blame while we consider the various costs encountered by any article on its course marketward.

The first of our increasing costs arises at the point of origin. Whether on the farm, at the mine or in the forest, the cost of collecting and delivering raw materials has steadily advanced over the last decade. Included in farm costs we must figure the increased cost of labor, of machinery, of seeds and

Whenever two men meet, questions like this will always start an argument.

Why the spread between producer and consumer?

Why are apples unsalable at the farm while they bring 10 cents apiece in town?

Why should middlemen-warehousemen, wholesalers, railroads-take toll on our necessities?

Here's material, good material, for the discussion of these questions.—THE EDITOR.

> fertilizers and the higher value of the land itself. So long as our population continues to increase and spread, the value of farm land will increase; so long as our eastern cities offer more attractive work, wages and living conditions, our cost of farm, mine and mill labor will increase. Finally, since we insist-and rightly-that these raw materials

and products must be safeguarded under health regulations and must appeal to the eye as well as the palate, these increasing units of inspection will result in increasing costs.

It would be a brave economist indeed who would prophesy lower costs of our great raw materials. Our bonanza days are over.

With this condition an established fact, corresponding econ-omies must be introduced if we are to decrease our primary costs of marketing.

Let us assume that we have raised, collected and delivered our raw material to the elevator, the dump, the yard or the warehouse.

We now "meet up" with the first of our middlemen. He must sort and store this material until some buyer wants it. Being in a city or at some large terminal, his costs of storage, shipping and rent are fairly high. Moreover, he has paid for the material and assumed the risk of ownership.

Surely 10 per cent would not be too much for him to add for his services at this point. If he makes 5 per cent, he is indeed fortunate. fact, the actual figures of his real earnings run from onehalf of 1 per cent to between 2 and 3 per cent. It becomes obvious that we couldn't perform the service for any less money ourselves.

So, giving our first middleman a fairly clean bill of health, let us follow the prod-

uct on to its next stop, the manufacturer. He receives the raw material, turns it into a finished product and ships it marketward. Besides his risk of ownership, he must add his cost of manufacture, a reasonable overhead charge and his desired profit. Perhaps the

average manufacturer would make up his selling price like this: Cost to make, cost to sell and profit desired.

If he should add 10 per cent as his profit desired, we probably would not quarrel with him much. At any rate, that is what he tries for but seldom gets. Considering the fact that competition will generally keep the manufacturer's prices in line, we will not quarrel with his factory cost of the article but will watch what costs are added to the product after it leaves the plant.

Here indeed the subject becomes involved. The manufacturer may sell direct, through retailers, through jobbers, through retailers and jobbers, or through sales agents

who may in turn sell through any or all of the above-named channels. Or the manufacturer may dispose of his product to mail-order houses, chain stores or cooperative buyers.

Or, again, he may create a national demand for his product through advertising and sell to any or all outlets with no further cost of selling. He may even sell direct to the ultimate consumer either by mail or by personal solicitation. With all of these channels open to him he will experiment until he finds the right method or methods for his particular

Let us follow through the commodity method most generally in use, namely, manufacturer to jobber, to retailer, to the public. The average jobber discount is about 20 per cent deducted from the manufacturer's list or wholesale price. For this 20 per cent the jobber receives, stores and ships to merchants in his territory. Moreover, he has assumed the risk of ownership and so must sell this merchandise to responsible credit risks. To do this he maintains a sales force.

If the merchandise does not "move," he sust make some special effort to sell it. This must make some special effort to sell it. This effort takes the form of advertising, of "missionary men"-working the territory intensively-of demonstrators in the stores or from house to house, and finally, if all other measures have failed, in job-lot, cut-price sales.

All of this increased effort costs real money. Paid for by the manufacturer or by the job-

ber, it adds to the cost of selling. The cost of getting the last \$100,000 by methods as outlined above is always greater than the profit in the

The old-fashioned jobber created his own market. He controlled his particular territory; he distributed in that territory the amount of merchandise it could profitably consume. He had a real function of creat-

ing a market for the manufacturer. along came advertising, which recognized no boundaries, no special territories, but went ahead creating or attempting to create demand wherever there were people.

The jobber was immediately faced with a



Self-Service



Chain-Store Minimum

new problem: Should he stock the new and advertised merchandise or should he refuse to stock it and thus enable a competitor to come into his field? He did both—and neither. Since the "forcing-demand-by-advertising" method started in 1900, the jobber has never had a peaceful day. Moreover, as the demand was created by advertising and specialty men from the manufacturer himself, the manufacturer often promptly reduced the jobbers' discount from 20 per cent to 10 per cent on the theory that the jobber was no longer creating demand. The natural result is a disorganized

jobbing business, too many jobbers trying to force too much merchandise through these jobbing channels with a very natural increase in selling costs at this point.

It is only fair to state, however, that a few manufacturers have established a demand for their merchandise by advertising that not only makes them independent of jobbers but has



actually lowered the cost of distribution. But where one has been successful in doing this, ten others have failed. The high cost of specialty salesmen, the high cost of demonstrators and the added cost of special trade advertising, have more than offset the decreased commission (10 per cent) allowed the jobber. While the jobber is not by any means a 100-per-cent efficient business machine, he is as efficient and is working at as low cost as the manufacturers will permit under the present system of seeking volume.

This drive for more business is the chief cause underlying the fact of too many retailers. Manufacturers and jobbers alike have extended credit to non-credit risks in the attempt to create new outlets for their wares. In addition to this weak credit policy they have broken cases, broken dozens even, and shipped on consignment just to get a sample of their wares on the retailer's shelves.

In a prosperous western city it is still the custom for the druggist to call up the jobber and order one bottle at a time of the various patent medicines offered for sale. Figure the costs to the manufacturer and jobber of transactions of this type. They are not rare; they are the natural result of forcing sales all along the line, of trying to sell an already oversold market an unwanted and oftentimes unnecessary product.

And now we arrive at the retail store and consider what it costs us to enjoy the present-day methods of retailing and conversely what we "cost" the present merchant. Generally the retailer marks up his merchandise 25 per cent figured on the selling price or 33 1/3 per cent figured on the cost to him.

This we have heard discussed as the "retailer's profit." Of course, nothing could be further from the truth. This mark-up includes his heat, light, rent, labor and all other costs of doing business. These total costs range all the way from 16 per cent to 23 per cent. In many cases, in fact, in the majority of small retail outlets scattered over the country, the retailer cannot charge in a

salary for himself. About the only way a retailer can now make a profit on the original basis of figuring his mark-up is to conduct a cash store without delivery service.

There are two underlying causes of the present retail situation, service and the competition of chain-store units and mail-order houses. The obliging merchant who "carried up the groceries on his way home to supper" started something. He started the service chain which seems to be possessed of limitless variations. We have become so accustomed to order by telephone, to have

merchandise sent on approval, to enjoy delivery service and long-time credit, that we have ceased to think of these services in terms of cost to the merchant and to ourselves.

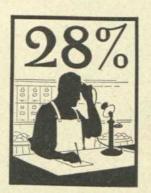
In fact, we had become so used to these services that the "big stores" had to install rest rooms, restaurants, manicure shops, hair-dressing parlors, personal service bureaus and "shopping done for you"—if they were to convince us that they were really giving service. These costs have steadily mounted until now some of the larger merchandise outfits are obliged to load their prices with a 40 per cent mark-up if they are to make money.

With this increase in service has come the introduction of stores without service. The regular chains, the cash and carry stores, the self-service store even, make it possible for us to buy at the price that best suits our income and

method of living—if we will. The average cost of doing a retail business, including telephone, charge

phone, charge account a n d delivery service, is about 28 per cent. The cash store reduces this figure to between 15 per cent and 20 per cent by eliminating charge and delivery service.

The chain store often reaches an operating cost of 10 per cent, making still



Solicit and Charge

further economies by volume buying, standard methods and prompt turnover.

Finally, the self-service store has reached operating costs as low as 5½ per cent. Since there are now more than ten thousand stores in the various chains, these less expensive units are available to nearly everyone. If they are not, there is always the mail-order house. Unfortunately most of us would rather use the telephone and kick about the increased costs.

This discussion has been limited solely to the cost of distribution of the necessities of life, the things we must have to sustain life. The primary distribution costs of foodstuffs, of clothing materials and of shoes cannot be appreciably reduced during the raw-material stage. Economies in the distribution of these materials and finished products can and should be made.

These economies will start with the manufacturer who will take the trouble to know his product, his market and the proper trade channels to use to reach that market, and will then manufacture and distribute into that market just the amount it can profitably con-

sume. Reducing the volume pressure will automatically reduce the number of useless jobbers or middlemen.

In fact, once the manufacturer knows his market he will almost automatically eliminate unprofitable avenues of distribution and make closer contacts with those distributors of proven value. Reducing the volume pressure will also eliminate many unprofitable retail risks and by increasing the sale through responsible stores decrease the price owing to increased turnover and lower selling costs.

By far the largest single item in the increased cost to sell is the service charge. Owing to our more complex life at present, owing to the new family interests, it is doubtful indeed whether it would be advisable to attempt to lower these costs. These attempted economies remind us of the housewife who "struck" against these higher service prices and feeling virtuously indignant, took the car, the chauffeur, plus gas, plus oil, plus depreciation, and motored down to the market to buy a head of lettuce for seven cents that she could have had delivered at the house for eleven! Some service features are necessary, economical even. But there are too many that perform no useful service but do add materially to the price. Each family will have to work out its own solution, and having worked it out, stick to it.

Many writers regard the new cooperative units engaged in buying, raising and selling as a sure weapon to reduce prices. The successful cooperative groups have not as yet succeeded to any notable degree in reducing cost to the ultimate consumer, although in many cases they have brought better prices to the producer. Whether an association, a league or a company, each must perform the function of storing, shipping and selling. History shows us that as these agencies grow in power prices increase.

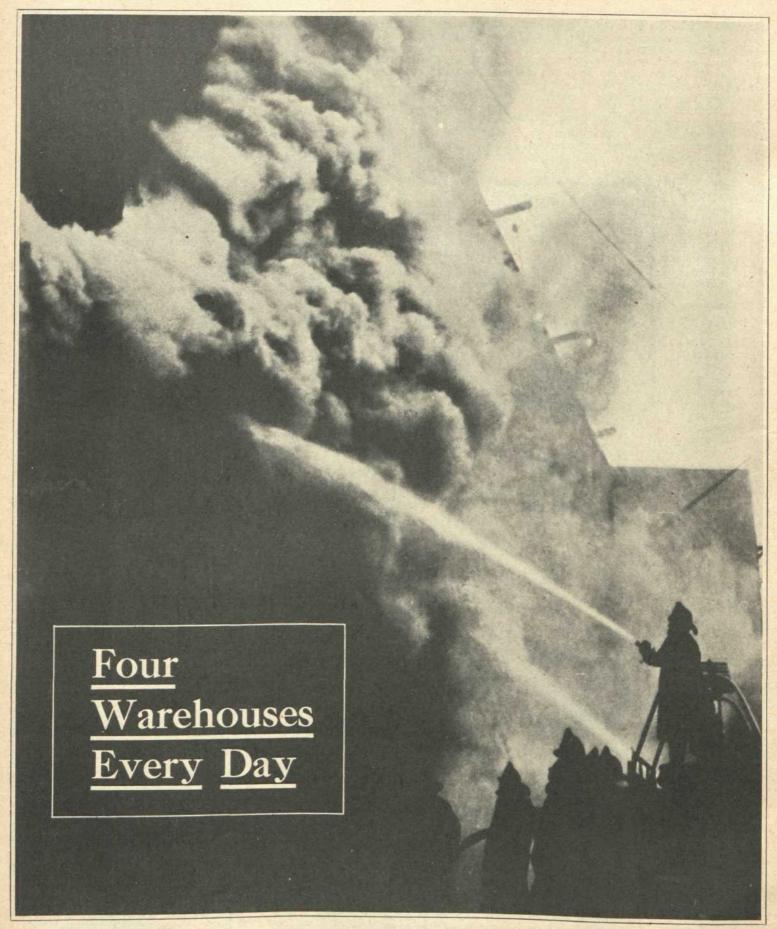
The answer does not lie in investigations, criticisms or legal control. The final answer to the question of increasing costs of distribution lies in the hands of the consumer. There are now sufficient units of distribution for him to select at his own price. If consumers will "shop around" so as to get the best quality and price, study advertisements with discrimination and avoid those advertisements which are misleading, the retailer who misrepresents his merchandise will learn that it does not pay to do so.

Should the buying public of America buy sanely, reduce their extravagant tastes and habits and minimize their demands for services that are not necessary, realizing that the selling price has to include these extras, these changes would be reflected immediately in generally lower prices.



Special Service Privileges

This is the third of our second series on distribution. The fourth, in the January number, will be by Representative Sydney Anderson.—The Editor.



@ Linotype Bullettn

Sixteen Dollars a Second

In 1922 nearly over half billion dollars' worth of property went curling up in smoke in the United States. The present burning rate in America is \$16 a second. Nine fires out of every ten are preventable by taking precautions of proven value. The article following tells what must be done to reduce these losses, which include 41 people burned to death, 47 seriously injured, every 24 hours.

Casting Out the Devils of Fire

GAINST disease we inoculate. Floods we fight with great dams we inoculate. and costly ditches. We even hire armed men, and spend millions to purge our holy land of cocktails. But in the face of fire-danger, we are dumb-dumb and stupid as the moth that madly seeks the red flame,

and is scorched to death.

Once, in pious wrath, we burnt our witches. Even hypocritic Europe shudders, and we sicken, now, and turn away from tales of mobs that burn men at stakes. Yet, every thirty-five minutes-day and night the year round-we burn some person to death. Ninety per cent of all fires can be avoided-experts say. Yet last year we burnt 15,000 peoplehalf as many as all our men shot dead in the World War. Forty-one persons slain every day; 37 could be saved, if only you and I were more careful.

Tierra del Fuego or "Land of Fire," one scoffer calls America! We burnt enough buildings last year to make a solid row from New York to Denver. It would take 1,000 tons of gold to pay that A train of railroad freight cars over seven miles long could hardly haul silver enough to pay for the property we burnt in 1922. Staggering it was-\$60,000 an hour, day and night, the year around! Twice the interest on all our savings bank accounts. Four dollars and seventy-five cents for every man,

woman and child in the Union, as against a fire loss of only a few cents a head in thrifty, careful Holland.

From the burning bush, a Voice of warning came to Moses. To us a stern, fateful warning cries out from this appalling conflagration, this waste and useless sacrifice. heed it not means the day may come when we shall burn more than we build. Startling; frightful. Yet in curious lethargy,

as the absent-minded day-dreamer stares at a fly on the wall, we read—and forget. Even now, you may be dropping this, to reach for the pink sporting sheet. But somewhere, peo-ple are burning to death, and property worth millions may be puffing up in smoke-because you and I are indifferent.

It was to jar you and me; to rouse us from lethargy, and to inspire us to join every man's fight against this peril, that "Fire Prevention was put on in October last.

"But," you argue. "We're all sick of WEEKS! We've already had everything but Week . . . What good did the Fire Week do, anyway?" Beat-Your-Wife and Shoot-Your-Landlord

The U.S. Chamber-even the President of the United States -

heard the very kicks you're making, yet falnever For tered. knew they the power of nationwide educational effarm building every 7 minutes if forts.

pushed by master hands. It is an outstanding lesson of the World War.

So, using this power, a contest plan is being

By A Member of the Staff

staged by the National Chamber, wherein cities all over America now strive, one with the other, to cast out their fire devils.

The year round it goes on now, aided by local chambers and their members. In 1922, in cities over 20,000 where permanent fire prevention squads were at work, fire losses were \$3.27 a head in comparison with \$4.75, the average of the nation. I will prove soon by eye witnesses just how certain big cities are casting out their devils. But first a word of detail about this nation-wide contest.

In this race to see who can cut losses most, cities are divided into four classes, according to size. On the city in each class that makes the best showing in decreasing fire waste locally the U. S. Chamber will bestow some fitting recognition. In grading the cities, con-



15 hotels every day

sideration will also be given to improvements in fire protection methods, improved building construction and educational activities.

5 school houses every day

Now nearly two hundred cities are enrolled. Seventy of these were never before active in fire prevention work.

Following Fire Prevention Week, scores of enthusiastic letters were received from chambers of commerce regarding their accomplishments during that week. Here is a typical

"Under the head of publicity came editorials, cartoons, comments and articles in the news columns throughout the week. Posters were distributed and cards enclosed in correspondence, wrapped in packages, etc., through the cooperation of the business men and the retail interests. The fire chief had the apparatus from his various companies pass through the streets in the neighborhoods where they were located. On the sides of the trucks were suitable signs calling attention to the fact that it was Fire Prevention Week, and that this, that, or the other thing would assist in making it a success. Luncheon clubs had speakers address meetings during the week on Fire Prevention. Teams composed of one business man and one fireman each covered retail districts which lay outside of what we know as the down-town business section. For the most part these communi-ties which were inspected were in the vicinity of public markets where conditions from the standpoint of fire protection are far from ideal. The reports secured from these inspections will be turned over to the fire chief for

"The Superintendent of our public schools as well as the Regent of our parochial schools are both very enthusiastic on the subject of fire prevention. The cooperation which we secured from them was splendid. In about one hundred of the public schools and forty

of the parochial schools, speakers addressed the children.

"It may be interesting for you to learn that the fire loss in this city during Fire Prevention Week totaled only \$450.00. . . . We like to believe that the efforts of our campaign were greatly responsible for the exercises of caution leading to an almost complete elimination of preventable fires.'

Even more encouraging than the results of one week are expressions from chambers pledging continuous action in fire prevention. The following statements indicate the earnest determination which prevails among the competing organizations to reduce fire losses.

A California Chamber writes:

"It is the intention of this Chamber to make the work continuous and follow the doctrine of prevention rather than cure by periodic campaigns. Committees have been selected to act in the capacity of a perma-

nent inspection body to report to the Chief of Fire Department any and all fire hazards observed.

"We are more than gratified with the work accomplished and are appreciative of the assistance rendered through your bureau."

Another in New York states:

"We fully realize the importance of this activity and shall certainly stress it this coming year and there-

A statement from a secretary in Arkansas concludes:

"The campaign is on the basis of continual year-round inspection and enforcement of laws and regulations."

From Pennsylvania comes:

"Our Committee feel that they have accomplished a great deal of good during this week and it is their intention to remain organized and be active throughout the year.

One of the several tasks assumed by the council is the sponsoring of fire prevention bulletins issued by the Insurance Department of the National Chamber to local organizations. Many of these printed alarms, aimed especially at business men, have been broadcasted. These warnings included "Conflagration and Your Property," "Your Water Supply for Fire Control," "Matches, Smoking and Open Lights," "Fire Hazards in Building Construction," "Dust Explosions" and "Fire Prevention Week."

Now hear how Cincinnati cast out its devils. W. C. Culkins, of the Cincinnati Chamber, tells this striking story of how his town has worked to prevent fires-and so cut its losses over a period of years that now it enjoys lower premium rates.

"We started to teach our people how to prevent fires back in 1911," said Mr. Culkins. "We argued that to get lower insurance rates, we'd

I dwelling every 4 minutes

have to remove fire hazards. To arouse interest quicker, we combined our anti-fire talk with appeals to clean up and paint.

"By using school districts as a basis, we

got teachers and pupils interested. School principals called in the Parish priests, the heads of Mothers' Clubs, civic and improvement associations, to form committees for direct action.

"From the State Fire Prevention Bureau we got inspectors. From house to house, trash and rubbish was gathered-attics, cellars and backyards were cleaned, and refuse piled in the street to be hauled away to be

disposed of safely.

"Year after year, we kept this up, constantly cutting down our fire losses. we showed these results to the underwriters, and insurance premiums were cut. Today Cincinnati is saving about \$1,000,000 a year in premiums alone—as a result of methodical persistent fire prevention habits. I might add that a well organized speakers'

bureau carried the message into the public schools, improvement association meetings and other gatherings all over the city. The results have been more than a saving in fire insurance premiums, because fire prevention has saved property and has improved health conditions in the city. It has also effected a reduction of accidents in fac-

Another striking example of how citizens can be trained to conquer

careless habits and fight fire perils is shown in the case of Indianapolis. I wrote John Reynolds, General Secretary of the Indianapolis Chamber, and here is his significant

A city-wide move for "a cleaner and safer

Indianapolis" was launched in 1921.

"As a practical step in minimizing the danger from fire, the city Ash Hauling Department began, in 1921, a program which has been followed each year since then, of devoting its entire equipment to the removal of rubbish of every kind.

'Talks to men in factories and to workers in wholesale stores and business offices were made as a drive against careless habits of all sorts on the theory that 95 per cent of all fires are preventable and that carelessness was the underlying cause of most dangerous

conflagrations.

Clean-Up Campaigns Effective

"IN THE work of the Fire Prevention Di-vision, 22 experienced firemen were assigned to inspection duty with directions to visit every building and report unsatisfactory conditions and direct a clean-up to be made. This work progressed by wards and resulted in considerable rivalry, as the reports of un-satisfactory conditions in the various wards were made public.

"The practical results were 235 fewer fires and a decrease of \$152,701 in the loss for the six months period over the corresponding

period of the year 1920.

"As preliminary publicity to an intensive Fire Prevention Campaign which was conducted from October 1 to 9, 1921, school children distributed 60,000 pamphlets on Fire Prevention. A program on Fire Prevention was carried out each day. Speakers were sup-plied to all of the noon-day luncheon clubs. Schools were visited-down town merchants carried window displays featuring Fire Prevention and placards were placed throughout the city.

With various modifications, the same general agencies cooperating with the Indianapolis Chamber of Commerce, continued in the campaign of Fire Prevention throughout the year 1921 and of 1922. The results were:

1. A reduction of fire losses in the year 1921

of \$573,000 from the total for the year 1920.

- 2. A reduction in the year 1922 of an additional \$350,000 from the total of the year 1921.
- 3. A reduction during a two year period of 52 per cent from the total of the year before the Fire Prevention Campaign was undertaken, in spite of a country-wide average increase during the corresponding period, of 28 per cent.

You City Fathers worrying over frightful fire losses, that give your town a black eve and send your rates up—have you heard Hoboken's new fire code? It is called: "An Ordinance regulating the keeping, storage, use, manufacture, sale, handling and transportation or other disposition of inflammable materials and rubbish, explosives, pyrotechnics, small-arms ammunition, inflammable moving



5 churches every day



1 hospital every day

picture films and pyroxylin plastics; and to regulate dry cleaning establishments, garages, fire exits, fire extinguishers, oil burning equipments and storage of inflammable liquids.

This ordinance was in the course of completion at the time of a serious hotel fire in that city-a catastrophe involving the loss of many lives. . The need for an up-to-date building code was at once emphasized and, through the cooperation and helpfulness of the Fire Prevention Committee of the Chamber of Commerce of Hoboken, it was completed and ordained.

In its preparation all the recognized standards of the American Society of Mechanical Engineers, the American Society for Testing Materials, the National Fire Protection Association and the National Board of Fire Underwriters were taken into consideration and formed the basis of the code. Many engineers and experts from different companies and manufacturers were also brought into consultation; recognized authorities gave freely of their advice, especially regarding explosives, pyroxylin plastics and fire-prevention organization.

Many cities in America might well copy this singularly complete fire prevention ordi-

Fire insurance companies are doing excellent work in the struggle against the fire demon. They are among the leaders in fire prevention. As pioneers in this field they early advocated some of the measures now being stressed today. For example, they have urged continually the adoption of standardized hose couplings in order that apparatus from outside may be utilized by communities experiencing serious fires. States and municipalities are realizing the value of this and the simple process of rethreading hydrants and

Realizing the insurance companies were interested in educating the public to the need of fire prevention, I wrote several well-known leaders in the business to determine just what is being done today. First let us see what the president of a large stock fire insurance company says in reply to my letter:

couplings is going on in all sections of the

country

"You ask what active interest fire insurance companies are taking in the fire preven-

tion campaign. Through the National Board of Fire Underwriters, territorial anl local organizations of stock fire insurance companies, as well as through many companies individ-ually, a fire prevention campaign is being waged continuously. The insurance companies are vitally interested in lessening the enormous fire loss, and seek to do it through engineering activities and by publicity methods. These activities are carried forward by the stock fire insurance companies at an annual expenditure of many hundred thou-sand dollars. I believe that there are no places where educational pubilicity alone has resulted in a reduction of fire losses which can be identified; but where the educational propaganda has been followed by improvement in fire-fighting facilities, building con-

struction, correct wiring, cleanliness, proper storage of dangerous substances, etc., rate reductions inevi-tably follow."

"We have no statistics to show the actual value of fire prevention work," says an official of a leading mutual fire insurance company in Chicago. "But there are many cities which have been able to cut their losses a lot."

As an example of the constructive work insurance companies are actually doing in the war against

fire losses, consider the service of the Un-derwriters' and Factory Mutual Laboratories. They employ technical experts to test all fire protection and fire prevention appliances submitted by manufacturers who wish a stamp of approval. By encouraging the use of approved material, the insurance companies are aiding in decreasing fire hazards.

Here, then, are fire prevention facts; stories of what insurance companies and the United States Government are doing to help save our lives and property; stories of results that prove we can cut our losses. But the cam-

paigns must be waged locally.

Legislation making individuals liable should be enacted, so that the careless individual may be held legally responsible for his acts. The low fire loss record of European countries is largely attributed to such laws.

Chamber Urges Personal Liability

THAT ORGANIZED business has recognized in personal liability legislation a possible means of decreasing fire waste is indicated by the following resolution passed at the last annual meeting of the National Chamber:

The National loss through the waste of fire mounts upward at a rate which indicates the need of immediate attention in each state and in every city. Within a few years the amount in property values destroyed in the United States by fire has increased until it is annually in excess of the entire cost of the Panama Canal. In large part this figure represents waste which can be prevented by effective action by states and cities. Personal liability for damages accruing to others through fire caused by gross negligence should be enforced in ways which will bring home to individuals their proper responsibility."

Ponder these simple statements. Then remember that in the next 24 hours 41 people will be burned to death and 47 more seriously injured if the average continues. Because you never had a fire, do you "take a chance" that you never will have one? Some people in South Carolina a few months ago, attended a school play held in an old wooden school building (like hundreds of other buildings in use today)-and seventy-six of them, burned beyond identification, were buried in a com-

mon grave the next day.

Don't Let the Talk Worry You

"HE bogic man, the bogic man, He tries to scare us all he can, He frights us with his frowning face, He sprinkles gloom about the place,

He sprinkles gloom about the place, Yet,—if we'd use our eyes to scan, We'd find him but the bogic man." —The Book of Fear.

Radicalism, or La Folletteism, if the term more satisfactorily appeals, is rapping with thunderous fist upon the door of Government in Washington. It has control of the National House of Representatives and the National Senate. It can force through tax laws which will confiscate capital. It can effect governmental control and operation of railroads, or, in any case, compel reduction of railroad rates in the interest of farmers. If can curtail the power of the United States Supreme Court. It can abolish the Federal Reserve Board and relieve the people from the domination of the greedy and unscrupulous Money Power. It can fix prices for wheat and corn.

It can take the iniquity out of the tariff so that there will be an effective system of duties whereby those industries which need

protection shall have it to the extent required for their reasonably profitable existence, and those industries, commonly known as trusts, shall be forced to meet world competition upon a basis beneficial to the people as a whole.

It can-

There is a story of a mother who told her son she intended to marry Dr. Brown. "Bully for you, Ma!" exclaimed the precocious youngster, "does Dr. Brown know?"

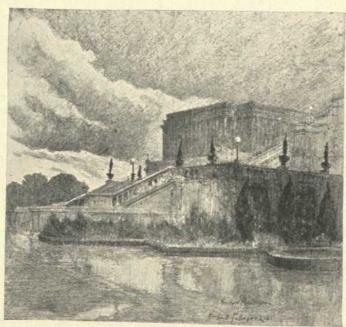
So, while Radicalism, with the voice of a Magnus Johnson, is stridently proclaiming its intentions, let us see the position of a Congress which is used to sound and fury and of a little figure who, after a lifetime of politics, is resident at 1600 Pennsylvania Avenue. The former may be swayed from economic principles by political convictions; it may deem it personally expedient to pass bills, which in any other than a presidential year, would be quietly smothered. But, even so, it will be with the sure knowledge that the man to whom they pass the buck will pass it back, and to pass it back with a few pungent comments that will deprive the statute books of the proposed addition to their thickness.

The timid in business may ask why this confidence, why this surety of faith in the light of the election happenings in Wisconsin, Minnesota and other farm states, the rumblings in the cities, and the presence in the Senate as the chosen representatives of the people of such men as La Follette of Wisconsin, Johnson and Shipstead of Minnesota, Brookhart of Iowa, Howell of Nebraska, and Dill of Washington.

Let us see.

First and above all, the questions which everybody is asking and which are referred to above, make clear one outstanding fact in connection with life of the Congress about to meet. That fact is that politics will be the tyrannous dictator of the "greatest legislative bodies on earth" from the time they assemble until they adjourn. To cling to power—that will be the thought of the Republicans. To

By JOHN CALLAN O'LAUGHLIN



The Capitol, North Wing

consolidate their position and to increase their numbers—that will be the effort of the Radicals. To acquire the presidency and to control the Congress—that will be the one guiding purpose of the Democrats.

Superficially, it would appear that the natural sequence of such a condition would be the passage of all kinds of ill-conceived and ill-considered legislation. Ask the uninformed:

"How can such legislation possibly be blocked?" The Senate membership today comprises 53 Republicans, 42 Democrats and one representative of Farm-Labor. Of the 53 Republicans, six pride themselves upon their independence and stand more or less under the banner which La Follette has raised; and six votes added to those of the Democrats and the Farm-Laborite would make a majority of two -enough to pass any bills arriving at the voting point. A like situation prevails in the House. The membership of that body is 435. Of these, 225 describe themselves as Republicans; 207 tell all the world they are Democrats and of the remaining 3, one is avowedly Farm-Labor, one, the down, but never out, Berger, of Wisconsin, Socialist, and one professedly an independent. Of the Republicans some 53 label themselves as Progressives, but 9 alone admit the La Follette brand. If the Progressives should combine with the Democrats and the band of three, the majority in favor of Radical legislation would reach the tidy little figure of 88; and Republican control of the Lower House would be smashed.

How Political Figures Lie

POLITICAL mathematics is an absorbing study. Like all other figures, however, and even to a great extent, they have the tendency and possess the undeniable facility to make black white. Proceeding on the theory that the mathematics of the situation is correctly set forth, radicalism would appear to be sitting astride the National Capitol with a whole country groveling at its feet. But—and "but" is a doughty fighter!—it doesn't. Legislation is less a matter of votes than of

actually getting a vote. A Senator or a member cannot rise in his seat, offer a bill and secure immediate action. There is an orderly method of procedure which is prescribed by parliamentary rules. A measure upon introduction is referred to a committee for consideration.

The committees are the most important, perhaps the most dominant, parts of the congressional machine. Occasionally they are discharged from the consideration of a measure; occasionally their reports not adopted; rarely their recommendations overruled.

Thus it is with slavering lips that the different parties and groups in Congress look at the chairmanships of and memberships on important committees.

Let not the view prevail that decision with respect to them awaits the few days before the session actually begins. There was a time in the palmy days of Uncle Joe Cannon when he—and he practically alone—distributed House Committee assignments. But Uncle Joe is gone, his world topsy-turvy, and committee as-

topsy-turvy, and committee assignments, as a result of a revolt engineered by Davis, of Minnesota, Lenroot, of Wisconsin, and other Progressives, are dictated by a super-committee consisting of one representative from each Republican delegation.

This man, in most cases, has been selected, and he, aware of the ambition of each of his colleagues, has put in his claim on their behalf. The House will adopt the recommendations of this super-committee, and thus will perfect its organization. The Senate, a continuous body, will have an easier task of organization. There seniority rules.

In order to complete the mosaic, it is desirable to anticipate the make-up of the committees. The Chairman of the Senate Committee on Finance, the Committee which will consider proposed changes in the tax and tariff laws, is Reed Smoot, of Utah. Has business confidence in Smoot? I should say it has! The Chairman of the Ways and Means Committee, which will consider the same subjects as the Finance Committee, will be Wm. R. Green of Iowa, who is a Connecticut Yankee emigrant, and he is not in tune with Brookhart. La Follette occupies a strategic position in respect to both Committees. He is senior member of the Finance Committee, and Frear, of his state, is on the Ways and Means Committee.

Next take the Committees on Interstate Commerce, which will deal with the railroad question. Albert B. Cummins, of Iowa, once branded a Radical, now relegated by the progress of western thought into the advance of the conservative column, is chairman of the Senate Committee on Interstate Commerce, and Samuel E. Winslow, of Massachusetts, heads the similar committee in the House. Cummins will remain in his present post and also will be elected President pro tempore of the Senate, filling the chair of presiding officer as a result of the Vice Presidential vacancy. Mr. Winslow's conservatism has dug for him a serious pitfall. He may escape; or, to save his face, the Committee may be split into two committees. But no

matter what happens to Mr. Winslow, a man of his views will be named chairman.

Again, sticking up like a sore thumb, we find on these committees, the omnipresent La Follette. He also is senior member of the Senate Committee, and he has a couple of allies on the House Committee. Such stalwarts as George P. McLean, of Connecticut, and Louis T. McFadden, of Pennsylvania, will be chair-men of the Banking and Currency Committees of the two Houses. There will be La Follette representatives on these committees. gressman Nelson is one of these and Senator Brookhart, of Iowa, may be the other; butand this is one of their stumbling blocks, many of the democratic members of these committees fashioned the Federal Reserve law, and they have all the pride of a father in their child. Hardly will they vote to mutilate or even scar the infant prodigy.

It is in connection with agriculture that

Congress will be particularly jumpy. What the farmer thinks he wants, that will he be given. Most of the members know that whatever they may do will not help him. The history of all the farm legislation enacted is a pathetic record of failure to provide relief. The tariff on wheat and other farm products, the farm credit laws, etc., etc., have proven of slight, if any, value. The law of supply and demand continues inexorably in force.

The first bulwark against the Radical proposals wave lies in some degree in the politics of the situation, and in a greater degree in the organization of and procedure in Congress. The Democrats want to embarrass the Republicans, but not to their own hurt. To join with the Radicals now would be to elect as members of committees men who would remain to plague them should they obtain control of the Congress to be elected next November. It is to laugh, their predicament!

Moreover, there are Democrats, and especially leaders, who are as conservative as Smoot and Curtis, of Kansas. I refer to Underwood, of Alabama, and Simmons, of North Carolina, in the Senate, and Cordell Hull and Garrett, both of Tennessee, in the House. They, and those who think like them, are not apt to go as far as the Radicals desire, even though they seek Republican embarrassment; for, after all, they must defend their own votes and do so when the memory of them is fresh in the public mind.

While thus we find a bulwark in the organization and procedure in Congress, a bulwark, however, with cracks and crevices which could open from the battering directed against them, there is a formidable redoubt at the White House, commanded by Calvin Coolidge, by the grace of God and indirectly of the American people, President of the United States. Since Mr. Coolidge's assumption of the great office he holds, he has obtained the confidence of business, not by his acts, but by his lack of action; not by his proclamations, but by his eloquent silences.

In many matters of public concern he could have intervened. He preferred to have them proceed along their normal course. He could have stated his position on this or that question. He deemed it better to refrain from public declarations. In brief, he is living true

to the precepts which have guided him through his political life. Chary of word, he speaks only when the occasion is fit. He feels, for example, that, under the Constitution, it is his duty to inform the Congress of the state of the Union. Not, mark, the people or any small section of them, but "the Congress which represents them.'

He has had ample precedent for disregarding this obligation, for taking every one into the confidence and merely confirming to Congress what has been publicly said. That, however, would not be Calvin Coolidge. There may be occasions when it will be necessary for him to speak, outside of Congress. Then, he will do so. But, such speeches will be far less political than some of his followers

Mr. Coolidge has a high regard for the plain command of the Constitution, a high regard for the dignity of the office he holds.

portals? There would be hurled in its path the presidential veto-and that veto it is not difficult to predict will be sustained in all cases, save that of the Soldiers' Bonus Bill. The Bonus Bill is the one fly in the administration ointment. There is hope it will be beaten, but the chance is it will be enacted. But, even as passed, it will have so many objectionable features eliminated that it will not constitute the burden apprehended. An effort will be made to attach the sales tax to the bonus. This will not succeed. Public

opinion is not yet ripe for such a tax.

Secretary of the Treasury Mellon believes taxes should be reduced; so does the President. But will it be expedient to throw the whole subject of taxes into congressional debate? No matter what the administration recommends, there will be an insistent demand for tax revision. The House will pass an excess profits tax; such a measure may get

through the Senate. If so, it will be struck by a presidential veto and die. So would a bill making any serious modifica-

tions of the tariff.

There will be changes in the Transportation Act. The Rail-road Labor Board will be eliminated, the 6 per cent guarantee also. In the case of the former, neither labor nor the railroads wants the board; in the case of the latter the disposition seems to be to abolish the guarantee and thus bring about the absorption of weak lines by strong financial systems. Surely there is nothing radical in this.

If Congress should by any chance pass a bill limiting the powers of the Interstate Commerce Commission to interstate rates and thereby increase the authority of state commissions over intrastate rates, no one need be surprised at a presidential veto.

Any bill limiting in any way the powers of the Supreme

Court could not get far in Congress and would receive short shrift at the hands of Mr. Coolidge. A bill which will regulate the coal industry in times of emergency, those times to be sharply defined, will be enacted; but the bill must be in accordance with the findings of the Na-tional Coal Commission in order to receive

presidential approval. Mr. Coolidge will veto any measure, in the improbable case of its enactment, curtailing the power of the Federal Reserve Board. The President is as keenly desirous as Mr. La Follette or Mr. Brookhart to help the farmer, But he wants to help the farmer help himself. Therefore, he will set his face resolutely against anything in the way of price fixing, purchase by the Government of farm surpluses, or distribution of bonuses among farmers.

The President is strongly in favor of cooperative farm associations. He is earnestly urging the organization of these associations, and desires the farmers to own a marketing machine. But he is opposed to government entrance into this or any other business. save the German people from starving, he would favor a congressional appropriation, thereby aiding the farmer at home to sell the wheat he holds. But he differentiates between charity and government assumption of business. In the former he believes; with the latter he has no sympathy.

THE COUNTRY may expect from this Congress: Politics .- More politics .- And these measures:

1-The usual appropriation bills.

2-A Soldier Bonus Bill, which the President will veto, but which likely will be passed over his veto.

3-A Public Building Bill, which will provide employment in case of any interruption of private work.

4-A bill reorganizing, slightly, the executive departments, placing the Veterans' Bureau under a cabinet officer and disposing of the United States Shipping Board.

5-Comparatively innocuous amendments to the Transportation Act.

6-Promise of reduction in taxes.

7-Constitutional Amendment authorizing taxation of present taxexempt securities.

-Modification of the Immigration Law, putting admission upon the basis of a different year, probably 1890, so as to assure a greater flow of Nordic stock.

9-Agricultural relief legislation which will not relieve.

So, business man, why worry? The mountain will laborand the proverbial mouse will emerge.

-JOHN CALLAN O'LAUGHLIN.

and he will not, for the sake of reelection, engage in political adventuring, no matter how beneficial it may be to him personally.

There are two factors in American life which dominate the mind of Mr. Coolidgethe Constitution and the representative form of government as created by it. He believes the government belongs to the people. He believes property belongs to the people. He is impressed by the ever present necessity for peace and an ordered government in accordance with standing law. He feels the people themselves are best fitted to work out their own destiny, and that the self-detached and vigorous action of the individual himself is far superior to weak dependence upon government.

To him, profit in business is essential, whether that business be industry, or agriculture, professional, or commercial. In his view, also, private initiative should be encouraged, not curbed. He sees, as the alternative of private ownership and control, public ownership and control; and broadly extended he finds this communism. He is ever keeping in mind the limitations of government, but is prepared to move within those limitations with all his force and all his power, to help the people help themselves.

So, what may we expect at the White House, if the Radical wave should dash to its

When the Bankers Step In

TT WAS a fine business, but now the bankers have got control-and you know

how Wall Street runs things!" Ever hear that remark? It is a common business gossip, and means something like this:

The Blank concern has been highly successful as an individual enterprise, run by the man who built it up and owns it, or by partners, or a live-wire president or board of directors. Management has had an absolutely free hand. Whatever the Old Man said was gospel, and whatever he planned was carried out under his own eye. His was the authority, the initiative and the inspiration, and so long as subordinates did his bidding there were no limitations in policies or rewards.

Suddenly "Wall Street" steps in. Banking interests acquire an interest—even control.

This may happen in several different ways.

In fair weather, bank money is borrowed for expansion, and the bankers who lend it insist upon having a voice in management. Or bank money is borrowed in foul weather. to pull the business out of a hole, in which event bankers are even more insistent upon participation in management.

How Banking Control Begins

OR THE business is incorporated, sells its one way the dreaded banker gets possession of sufficient stocks or bonds to secure control, or at least becomes a factor to be reckoned with in management if his holdings are not large enough to give voting control.

Thus it comes that every time the board holds an important meeting a stranger appears to sit with the directors. He is the bankers' representative, a member of the board.

Or it may be that an "assistant to the president" comes to live in the Old Man's ante-room, a closemouthed, observing,

conservative influence in the business.

When this happens, it means nothing short of calamity to the regular fellows of business. The constructive spirit and enterprise, the joy of individual achievement, the willingness to take fair chances in playing the game—these are replaced by a curb. The chief function of the bankers' man on the board or at the Old Man's elbow is to raise doubts and questions, modify, hinder, proscribe, taboo and veto. He is the "Great I Won't" personified, the living "Verboten!" of the business world.

Or so the regular business fellows think.

But so far as I know, nobody has ever asked the banker what he thinks. In its supervision of other people's business - interference if you want to call it that-"Wall Street" has walked in the middle of the road, taken brickbats from both sides,

An authorized interview with JAMES H. PERKINS, President of the Farmers' Loan and Trust Company

By JAMES H. COLLINS

and said nothing. The other day, I heard the "Wall Street" side, set forth by a bank president who has several hundred million dollars' worth of authority over other people's enterprises, and who is about as typical an embodiment of the banking influence in business as you could find in New York's financial canvon.

Back in the year 1822, the New York State legislature chartered the first trust company. The country had been through two wars, suffered from joblessness and wildcat currency and had its infant industries crushed by cheap goods from England and Europe. Now it was just getting a footing in manufacturing and transportation, entering its first era of prosperity, and beginning to get hold of some real money.

In older countries, when a man of means died, his estate was administered by men of fortune and ability who acted as personal executors or trustees. This was a service such men owed and acknowledged, not only to their friends, but even a public obligation.

In this country, however, there were as yet few men of that kind. The administration of estates was a problem. New York's law-makers solved it by creating a new kind of corporation for the purpose, the trust company. The first institution of the kind chartered in this coun-

try, was the

Farmers' Loan and Trust Company of New York City and everybody in the banking

World knows that this first of all trust companies has in its care many hundreds of millions of dollars.

Its president, James H. Perkins, sits on the directorate of more than one corporation, the securities of which are held by his customers, living and dead. And more than one corporation executive or board of directors asked his advice before doing this, or that, or the other thing in management, because

his institution has a voice as trustee.

Wall Street is the abode of institutions. Personalities like Harriman, Keene, Sage, Hetty Green, seem less common. Names like Perkins, Mitchell, Potter, Baker, Prosser, Wiggin, mean much in the financial district, but to the country at large there is little to distinguish them from Smith, Jones and Brown.

James H. Perkins looks no more like the conventional banker than Henry Ford. He is a tall, spare but well-built New England Yankee, born in the Centennial year, with a love of hunting, fishing and outdoor life that has taken him pretty much all over the United States, not to speak of his Red Cross and A. E. F. service in France.

Bankers' Power Overrated

ANY board of directors would feel at home with Perkins and so would a western farmer or a southern landowner.

"The New York banker's power!" he echoed. "The most overrated fellow in the world! People think he has the most astounding influence. Just now wheat is down. Go out into the wheat-growing states, and you'll find there isn't a doubt that the New York banker did it. Who brought on the deflation three years ago? Why, the New York banker!

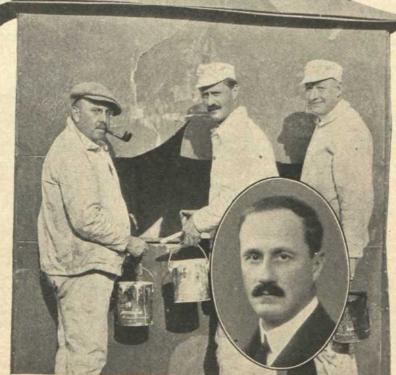
He got caught himself, and had to

retrench, but that makes no odds—people firmly be-lieve that he said, 'Let there be deflation!' and

it followed.

"There is only one banker in this country who has influence. He can go to Washington, ask Congress for anything he wants, within reason, and get it, where we New York bankers would get the gate. That is the country banker plus the city banker outside New York, twenty-four thousand of him, belonging to the American Association. might be called the bankers' bloc, for while it is not active politically, this organization has an influence on business opinion to which politicians pay attention. Indirectly, it represents votes. How many votes does the New York banker represent?

"Why don't people think of the New York banker's re-sponsibility? There is something real and tangible. It may be that, back in the days of old Mark Hanna, when business and politics went pretty much together and were



From left to right: Albert H. Wiggin, James H. Perkins and Robert L. Chamberlin, painting at a charity benefit. The inset is James H. Perkins.

both on a basis of personal acquaintance, the New York banker had power. If so, it's gone, or is a vanishing factor. But his responsibility

constantly grows.

"What is capital? Why, you and I, and Tony the bootblack, investing our savings in small lots of securities. Corporation transfer books show an amazing increase in the number of stockholders, and the growth in funds managed by trust companies is due largely to this vast spreading out of securities among small investors.

"As executor, administrator and trustee, the new institutional banker assumes responsibility for the widow's mite, as well as the great estate. The banker's responsibility to the people who own these funds is only a beginning. He is also responsible for the efficient management of the enterprises in which their

money is invested.

Power Depends on Public Trust

"YOU own ten shares of Steel common, I Y own fifty and Tony the bootblack owns two. None of us could have any influence in protecting or reorganizing the property, nor the three of us together. But thousands of us could organize under some capable leader, and if the trust company banker rises to his responsibilities, during the next ten or twenty years people will gather round him in such cases, and he will reorganize and protect many of the enterprises in which average folks have their money invested.'

"Suppose some adverse influence developed tomorrow in the management of United States Steel—what would you do?" asked. As a banker, Mr. Perkins holds no seat on the Steel Corporation's board. Nor do his customers hold enough Steel shares to be a dominant voting influence. Yet they have heavy investments to be safeguarded.

"Put on my hat and go up to see Mr. Morgan, the Steel Corporation's banker," he replied. "I'd ask him what it meant, and

what he intended to do about it."

"And if the answer wasn't satisfactory?" "I'd immediately sell all that corporation's stock we hold as trustee and reinvest the money in something else. People think of New York bankers as a clique, working hand in hand together for their own ends, and of course against public interest. But they ought to know how we all watch each other in just this way to protect our customers. Any individual action of a New York banker that threatened the interests of other bankers' customers would be checked in some such way.

The meddlesome banker, turning up at every directors' meeting, questioning the smallest transaction, interfering in management, putting a damper on individual enter-

prise and energy-he is a myth.

Content to Oversee at Distance

IN ORDINARY times, when all goes well, the banker is quite satisfied to oversee the business from a distance. Attendance at the annual meeting, passing on an occasional major question of policy and holding himself available for advice when needed is enough. As Mr. Perkins puts it:

"If our last business crisis proved anything, it was that the banker doesn't know how to run other people's business. His function is to see that there is efficient management by fellows who do know a particular line. He does this by watching balance sheets, get-ting frequent reports, and insisting upon high standards in officers and directors.

But far from being a Paul Pry, interfering with every-day routine, it is more likely that the men to whom he leaves management when



a business is running smoothing come to him with irrelevant details.

"One Saturday afternoon, a few weeks ago, the president of a certain corporation spent several hours locating the president of a New York bank that has the final say-so in his company's financial affairs. When he did locate the banker, bringing him off the links at a country club, what do you suppose he asked? Why, whether the banker approved or objected to an increase of wages for the company's employes. And the banker told him, very properly, 'Settle that yourself—it is none of my business!

"If I sat on a railroad board, representing our customers, what wages the company paid, or how many freight cars or locomotives it wanted to buy this year, would be matters to be settled by the management unless the expenditure were of such magnitude that it would seriously affect the balance sheet. Somewhere in that neighborhood lies the line dividing normal business management from banking supervision. If the management is considering plans for something unusual, like the electrification of the road, that obviously calls for banking supervision, because it involves a complete readjustment of capital investment, earning power and dividends.

Suppose you were suddenly elected president of a railroad, public utility corporation or manufacturing company-or perhaps made receiver. Besides being responsible for the safety of your stockholders' money, you find that you are also responsible to a big New York banking institution that has charge of your company's financing; or holds a large block of your stocks or bonds for its customers.

Its president has been a New York banker for sixty years. He has had many years'

experience in railroad, insurance, utility and other corporation affairs, is said to be worth \$200,000,000, and has the reputation of being a sphinx when it comes to talking for publication. But in your position as president or receiver you can go to him for advice. Certainly you would be foolish not to seek the business council of men like George F. Baker, or any other man among a dozen or more New York bankers whose long experience and wide business contacts make them invaluable advisers. Actually, executives in charge of business interests over which they have banking supervision keep a well-beaten path to their doors.

When the banker tells the business man to do this or that, it may seem like arbitrary restriction or control. Actually, it is the business man's own balance sheet speaking

through the banker.

How the Banking Mind Works

ONE of my boys here in the bank has a banking point of view," said Mr. Perkins. "He lives in a suburb, where a hundred neighbors got together and organized a country They agreed to put in \$100 apiece. making \$10,000. But before long they found that wouldn't be enough-their country club was more likely to cost them \$20,000 or \$30,000. So they did what many people do in business-called in the banker to see if he couldn't straighten things out. A meeting was held to get our man's advice. Pro-ducing paper and pencil he said to the gathering:

"We've put in a hundred dollars apiece. But our plans call for from \$200 to \$300 apiece. Now, how many of you want to chip in that much more? Or how much more than a hundred are you willing to pay?" "Practically nobody wanted to increase his or her investment.

"'All right. Now we've got \$10,000 to spend-what do you want to spend it for?'

'One member after another rose and spoke for something he considered absolutely necessary. This man wanted a roadway in front of the club house, a woman insisted upon a tea-room for the ladies, a group of young folks felt the club would be a failure without a bowling alley, and so on.

"'How much will these different things cost?' our man asked, and set down the amounts—\$300 for this, \$1,200 for that, \$500

for the other thing.

"'Are you all through? If so, we will add

"When all the different things the different members wanted were budgeted, it was found that they would cost \$30,000, or \$300 per member. The club had no sooner been organized than, thinking only of the \$10,000 to be spent, committees had sprung up right and left to get various things.

"There was a bowling alley committee, for instance. Instead of finding out what a bowling alley would cost, it figured the profit to be made out of the prospective bowling alley. and began spending that. Our man made in-quiries to find out what the experience had been with bowling alleys in other clubs, and discovered that they were usually maintained at a loss for the convenience of members. A commercial bowling alley makes a profit because it is in constant use, but a club bowling alley loses money because it is only in occasional use.

"From the balance sheet viewpoint, the club's younger set ought to do their bowling on a commercial alley. Other items were struck off the list in the same way when members got that viewpoint. Finally, the club's finances were settled by scaling everything down to an additional fifty dollars per member, and each member was required to sign a bond for that amount."

Housecleaning is all in the day's work of the New York banker. Dirty corporation linen is dumped on his doorstep after unsuccessful efforts to launder it privately, and he tackles the job, often heading off wide

business disaster.

A Wronged Railroad's Champion

A HOUSECLEANING was necessary rerailroad. Built during pioneer days, as part of a transcontinental line through a region of such magnificent scenery that it should have become one of the most popular passenger carriers, it fell into the hands of schemers who not only cut it off from transcontinental connections at both ends, but wrongfully transferred millions of its money to build up a competitive line. For years, the run-down condition of this road and its haphazard service made it a byword. Its very name was thought funny, like plumbers and mothers-in-law.

Then the New York banker was called in, forced the competing road to refund capital, illegally diverted, made connections with another road that gave it an outlet to the Atlantic and secured a large reconstruction fund from the latter. This money is now being spent on locomotives, cars and roadbed to make that road what it should have been from the beginning.

When the banker steps in nowadays it is generally good-not bad. "If he steps in as trustee," says

Mr. Perkins, "he may have the welfare of thousands of individuals in his keeping, and hundreds of millions of dollars' worth of property. Eighty-five per cent of the bonds listed on the New York Stock Exchange are issued under mortgages of which trust companies are trustees. A single corporation mortgage may run into hundreds of millions of dollars.

"One of the first corporate trusts accepted by a trust company was from the Long Island Railroad, in 1835, involving \$100,000. In 1917, the same trust company was appointed by the British Government as trustee of a \$250,000,000 loan. If such funds have grown from tens of millions to billions in practically one generation, what will they become in the next generation? And what must be the

banker's responsibility?

"Up in Boston some twenty years ago there was a fine old gentleman who acted as personal trustee and executor for scores of people. A youngster beginning life as salesman for an investment banking house resolved to secure that old fellow as a customer some day, but not to approach him until he had something exceptionally good to offer. New England has always been strong for copper investments. Out in Utah, Daniel Jackling demonstrated that a mountain of low-grade copper ore could be profitably mined with steam shovels. Utah Copper was incorporated. The youngster hurried to tell this old trustee about it. The latter listened to his story and then said, in a kindly way:

Institutional Supervision

WILLIAM, I've watched you come up in business, and been glad to see you succeed, but as trustee for other people's money I never invest it in anything but conservative New England securities.

"He mentioned certain stocks as were then considered as rock-ribbed as the New England hills themselves, but since then millions of dollars have been lost through shrinkage of securities while Utah Copper has been pay-

ing good dividends.

"Yesterday the banker's supervision was personal. Today it is institutional, and calls for a new kind of banking organization, one made up of men able to deal with problems in many different fields of business. The new kind of banker would have made a better appraisal of both investments and known when to drop one and take on the other. This new kind of banker must build and coach a team, for present-day finance has

grown far beyond the ability of the individual.
"In one of W. W. Jacobs' water-side stories, he tells about a skipper who was going down the Thames steering a steamboat for the first time in his life. His drunken engineer, who was also the fireman, suddenly decided to take a bath, and jumped into the river. The mate and a boy, the only other members of the crew, lowgineer. The skipper steered the boat here and there trying to pick them up, until he had tied traffic in a tangle.

"'Why don't you draw your bloody fires?" demanded an angry captain as the skipper missed his vessel by a few inches.

"'Who'll steer the bleedin' craft while I'm drawing the fires?' asked the skipper.

"In banking nowadays there must be somebody to feed or draw the fires as well as steer and while trust funds are reported in only two states, we estimate that the trust companies of this country, nearly 2,400 of them, hold thirteen to fourteen billion dollars in personal and estate trusts, and seventy to eighty billion in corporate trusts. Building up an organization to shoulder such responsibilities is a difficult task, and a long one, like building up any other good team.

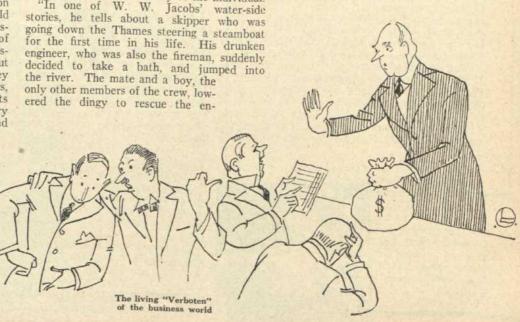
Banking Now a Profession

"YESTERDAY, men went chiefly to make money.

must go into it as a profession. He will have to be satisfied to see his friends on the stock exchange and in other lucrative fields of business ride past him in their expensive automobiles, and he will have to train for his job, mastering not only the routine of a bank, but learning economics, law, the theory of accounting, and certainly one foreign language, for our foreign banking business is growing enormously, where we had practically none a few years ago.

"What will be his incentive for following such a profession in that high-minded way? Will salary be his only reward and what salary can he expect if he climbs to the top?

"What is the incentive in playing base-ball or football? The thrill of playing on a good team, isn't it? That will be the incentive in banking—the achievements of the organization, the thrill of teamwork, and the great interest and variety of the work itself. The trust officer's work is as diversified as that of the journalist. He may be called to investigate or participate in the management of any business under the sun, and to deal with every human situation that can possibly arise among people. As for money reward, it is hard to speak in figures, but by sixty, with good health, good fortune in the investment of savings from his salary, and the factor of good luck that does affect men's affairs, he should be able to live comfortably the rest of his life."





American Trails

By Daniel Henderson

Decotations by R-L---Lambdin

I. The Opened Path

(A. D. 1000)

SPIRIT of Columbus, tell:—
Ere the western way you took
In your tossing caravel
Found you not an Iceland book?
Was not there the record traced
Of a Hesperidian shore?
Was not your high courage based
On the Norse who went before?
Were not your green laurels won
In the wake of Ericcson?

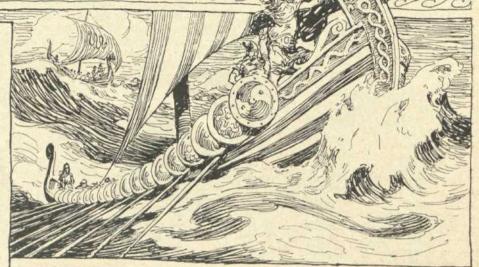
Hark, the tribal warnings run:
"Sail not westward, Ericcson!
There the storm lord's hissing wrath
Leaps to bar the Viking's path!
Southward turn; King Olaf's sail
Cleaves for you a treasure trail!
Southward seek for crowns and pearls
And Normandy's rebellious girls!
See, the west mist drinks the sun!
Yonder lies:—oblivion!"

Still upon the Greenland shore Voices summon to explore. While the old men hug their fires, Stormward Ericcson aspires. Mocking, dauntless, forth Leif sails Where the sun's last ember pales. Lashed by many a tempest-whip Triumphs his frail serpent-ship! Empire's first faint western star Dips to kiss his quivering spar Who, lost, bewildered, ventures on Till from gray seas blue hills dawn!

Now lips tantalized by brine
Drink the juices of the vine!
On fair slopes, with ebon lustre,
Hangs the wild grape's luscious cluster!
Here comes slowly winter's blight!
Here is equal day and night!
"Vinland!" cry the men of ships,
Fading into time's eclipse.
"'Vinland!" was Leif's christening—
Were the ages listening?
Who now quickens to the fire
Of that ancient Iceland lyre
That gloried in a world hard won
By lion-souled Leif Ericcson?

* Cape Cod.







II. The Stage Coach

(1800)

FROM Baltimore to Wheeling a man may go by stage—
An egg-shaped, swinging coach that makes a scrambled pilgrimage!
A painted, circus-like affair that flames with red and yellow—
Far grander than the enchanted coach that carried Cinderella!
A coach that one with surety may trust himself upon—
Does it not bear, in golden words, the name "George Washington?"
Fresh horses wait twelve miles apart along the road to Wheeling
But what makes fresh the passenger, who journeys sore and reeling?
Oh, he who takes the western way through wilderness and tide,
Must needs be stout of mind and soul, must needs be tough of hide
For robbers wait, and redskins too, and wild beasts have a way
Of stealing down the stagecoach trail in quest of human prey!
Yet off we dash, whatever chance, to thread a score of towns
Where people wait us by the clock in homespun shirts and gowns;
A pause to give these news-starved folk our Eastern yarns and tattle,
A stop to eat and drink and stretch—then off again we rattle.
Gaunt Westover, who holds the reins, and dares his mates compete,
Sits like a ramrod, six feet tall, upon the driver's seat—
A coachman noted far and wide for speed and recklessness,
And now we're up, and now we're down, was ever such distress?
But yet a cozy inn awaits, where each may fill his cavern
With ham and chicken, washed with wine; while through the shaking tavern
The slaves perform the hoe-down with shuffling sole and heel,
And buxom maids are swift to leap to trip it in a reel!



III. The "Clermont" Rides the "Half-Moon's" Wake

THE ghost of Henry Hudson looks down from his "Half-Moon" At anchor in some phantom-port, some heaven-clasped lagoon; Looks down, a shadowy sentinel of that hill-guarded stream Which once had lured him on and on, yet baffled his vast dream; Looks down and marks upon the tides he searched but to forsake, How many bright-winged galleons had ventured in his wake; Looks down on teeming wharves and towns; on meadows where the plow Repeats upon the yellow loam the cleaving of his prow; Yet sees upon the foaming tide what rouses him to wrath—A lumbering, puffing, blunted boat defiles the "Half-Moon's" path And drives expectant fishermen from their accustomed ground Before the churning paddle-wheels, the steam-pipe's horrid sound; Affrighted as the Indians were when, gazing out to sea, They first beheld the "Half-Moon" rise on wings of mystery!

The ghost of Henry Hudson, the spirit of the past, Beholds the Future striking down the lovely sail and mast; Beholds and deems adventure dead, and mourns the old romance, Nor sees beneath the clouding smoke an eager race advance!



IV. The First Steamboat on the Mississippi

(1811)

"STEAM shall rule Ohio's tides!"
Nicholas Roosevelt* decides.
Hark, its bargemen are astir:—
"Heed our warning, Easterner!
Here the hidden snag and shoal
Lurks to bar you from your goal!
Hudson River gave a scope
To achieve the Clermont's hope;
Here Ohio's sandbars shift;
Here ten thousand dangers lift!
Steam may rule the Eastern zone—
Here—let well enough alone!"

Nicholas calls them "Noah's neighbors!"
Nicholas pursues his labors!
"To the very Gulf we glide,"
Sing his engines to the tide,
"Where an inland stream may flow
There a paddle-wheel may go!
Ships are shuttles, we will spin
Till all cities are akin!
Rise to hail a busier scene,
Pittsburgh, Memphis, Muscatine!
Every lake and every river
Shall be blest by Steam, the Giver!"

See the curious people standing
At each Mississippi landing!
See the daunted Indian flee
From this whooping enemy!
See each snag and sandbank rounded,
And the flatboat men confounded!
Hear the folk of Louisville
Roused by whistles strange and shrill;
That, however harsh they seem,
Have a world call for their theme!
Mark New Orleans wake to bless
Nicholas Roosevelt's success!

*Ancestor of Theodore Roosevelt.



V. The Covered Wagon

(1849)

"Oh then, Susannah,
Don't you cry for me!
I'm going to Californiah
With my wash-pan on my knee!"

IT'S April, and the grass is up! Push out across the plain By Omaha to Laramie, till Oregon we gain!"
The settlers shout; the wagons drift along the hazy trails Like ships that lift on emerald seas their bright ballooning sails. Before the patient oxen the keen outriders race, While lank lads prod the lagging herds to keep the wagons' pace; Penned to the prairie-schooners' sides the fluttered chickens cluck, While children, peeping out, rejoice to share in wanderers' luck, But mothers, gaunt and weary, with infants at the breast, Pray God this be no fading dream of fortune and of rest!

The bones of pioneers who trudged to see their rich hopes fail Shall gleam from desert and from peak to mark the unwon trail! The dark, rebellious tides that brawl where they must cross the Snake, Sing warning of the human toll unpitying currents take! The Blackfeet and the Shoshones, the Bannacks and the Crows Have massed against this thin white line of stern, determined foes, Yet glamour gilds the far, faint path, and ruthless Indian bands, And all the venomed perils of these unconquered lands Shall unavailing rise between the wanderers and their goal, Because in the unfaltering train there moves a nation's soul!







VI. The Pony Express

(1860)

THE pony express! The pony express! Thundering hooves of the wilderness Linking the east to the farthermost Delver for gold on the nugget coast!

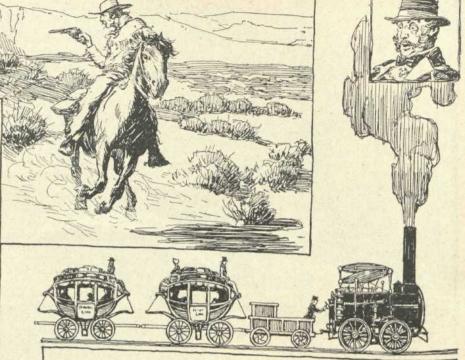
Strength of steel and spirit of man,
Twice a thousand miles shall you span!
Valley of fire and mountain of snow,
Neither shall daunt you—the mail must go!
Couriers, speed till your cyclone fury
Links Pacific with Missouri!
Let the human lariat run
Under the stars, under the sun,
Past the traps the Indians lay,
Down the trails where bandits prey,
Through the choking desert lands,
Through the sucking river sands,
Up the bald, defiant steeps
Where grizzly hunts and the cougar leaps,
Till you clamber the purple crest
Of the final tower of the challenging west;
Till Sacramento and Frisco sing
The saga of man's conquering!

Thundering horsemen, gallop anew! Beat on our hearts your swift tattoo!

Search us! Rouse us! Are we loath
To dream new dreams? Then, out of our
sloth,
Out of the ruin we call success,

Out of the ruin we call success, Rally us! Rally us! Pony Express!





VII. The Coming of the Railroad

(1828)

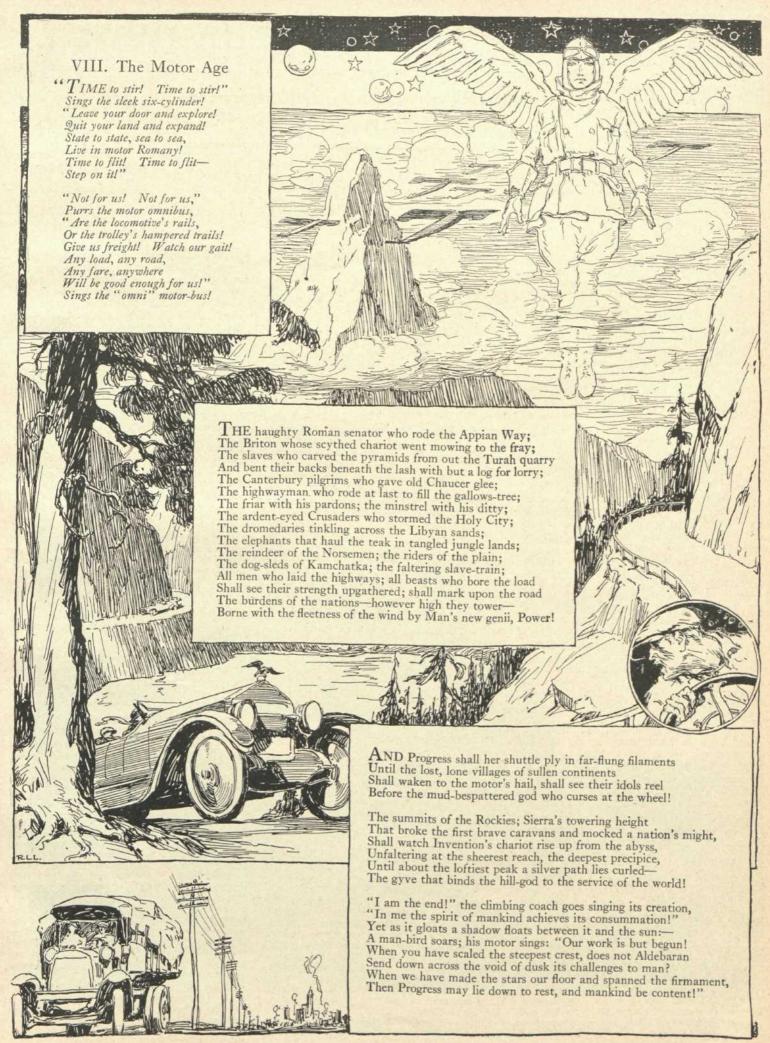
THE legions of Napoleon march conquering from France! Midst palms and snow the nations know the Corsican's advance! But what of Monsieur Cugnot? What hissing steed rides he That dares to challenge and affright the Emperor's cavalry? Because he scares the people with puffing, screeching cars, They thrust the reckless rider behind a prison's bars, Yet when at last the flags of France in dire defeat are furled, The soul of Monsieur Cugnot goes forth to win the world!

A Wellington! A Nelson! What victories are theirs! Yet Trevithick, the tinker, for grander fields prepares! Above the war-drum's rally, the paean of the horn, Resounds his steam-coach whistles from Plymouth to Cambourne! Among the mad postillions, amidst the frantic horses, In very truth a conqueror, the proud inventor courses! A toll-gate lifts to bar the road: "What toll do you desire?" The tollman trembles at the steed of smoke and steam and fire! "Oh, please, dear devil, do drive on!" the driver hears him say, "The horse of Satan, noble sir, need not a penny pay!"

America has heard the news, and not to be outdone,
She clamors for a horseless coach from good George Stephenson!
Behold, his locomotive comes with dour Scotch engine-men—
Who drive the steed of steam across the State of William Penn!
And though the people fear at first the track will lead to Zion,
They clamber on the "America" and on the "Stourbridge Lion!"
Give Britishers due glory; cheer to our native sons,
For now in South Carolina a Yankee engine runs!

"Tis kith to "English Rocket" and kin to "Wylem Dilly,"
A clattering twin brother to English "Puffing Billy!"
A staunch, true, home-made engine well christened the "Best Friend,"
Because the service of its kind to man shall never end!
Hail too her fifty passengers, who turn from steeds to power
And ride the Charleston roadway at twenty miles an hour;
But weep for its bold engineer—the safety valve he ties
And blows the locomotive up to steam across the skies!

Mid hardships and mid peril men laid their nets of steel—
Strong webs that wove the divers States into a commonweal!
Like Titans hurling spears they pierced with steel the mountain's breast,
And planted steadfast bridges above the tide's unrest,
Till cities bartered with the farms and with the teeming ranges,
And summoned giant Steam to bear the stuffs of their exchanges!
From Yukon to Floridian shores, by ancient Indian trails,
Ten thousand gleaming cities rose along the linking rails,
Till now from out the nation's heart to her remotest brood
By throbbing arteries leaps forth the pulse of brotherhood!



Listening In on Parliament

And Showing That Our British Brethren

Have Also Their Lighter Legislative Moments

OMPARISONS are indeed odious, and none is intended; but when the President of the United States pursues his lonely way back to the White House after having delivered his message to Congress, does any one move him a vote of

thanks for his "Gracious Speech?" After the reading of the King's speech in the House of Commons, a member, in court dress, as a

parenthetical clause in the record expains,

Wherein Is Talk moves: of Arabia and the British Lion

That a humble address be presented to His Majesty as followeth: Most Gracious

Sovereign-

We, Your Majesty's most dutiful and loval subjects in the United Kingdom of Great Britain, in Parliament assembled, beg leave to offer our humble thanks to Your Majesty for the Gracious Speech which Your Majesty has addressed to both Houses of Parliament.

At the last opening, speaking to his resolution, the member (Mr. Samuel Roberts, Ecclesall), said: "This Gracious Speech, as is usual, opens with a reference to foreign affairs," and he follows the example, "Our hearts go out to our Ally, France, even if we are not quite able to follow her with our heads. . . . On the Continent we are often accused of being an illogical nation. Well, cannot we be illogical in this, and cannot we wish success to a course of action from which we believe no success can come, and cannot we hope that we are wrong even when we believe we are right?"

Now, having turned human nature upside down by hinting at such hitherto undeveloped possibilities as he mentions, the speaker proceeds to picture a lion which, while violating all the time-honored concepts of a lion, is still a lion: "It seems to me that the Turk appears to be trying that old game of treading on the lion's tail, not because he thinks the lion is asleep, but because he knows that the lion is tired and that its condition is poor. All the same, be it tired or be it poor, it is patient, it is conciliatory, it is full of the desire for peace, but at the same time it is still a lion."

Then, after the resolution had been sec onded, also in court dress, as the faithful parenthetical clause points out, and the Prime Minister had spoken, the leader of the Opposition, Mr. J. Ramsay MacDonald (Aberdeen), not in court dress it may be safely assumed, had his say, after the manner of Oppositions:

If I were, as a cartoonist might, to portray the Prime Minister, I should give him a whole armful of squealing infants, every one of them more troublesome than the other, rather than picture him as being responsible for a large number of little cherubs, easy to manage, easy to discuss, easy to pacify.

MR. BANKS (Swindon) thought the Prime Minister would

navigate the Conservative vessel with better seamanship . . . but if there ever was a time when the crew-the rank and file of the party-had the right to ask what is their latitude and longitude, it is in reference to this question of Arabia. . . . With regard to the unpopularity of our Government, the Shiah Arab has one singular peculiarity. He takes no pleasure in

paying taxes to provide things which he does not want. I regret to say that feeling is spreading to the taxpayers of this country, and I am afraid that you will eventually have to bomb the British taxpayer in order to collect the money to enable you to bomb the Arab tax-

payer so as to maintain a system which both taxpayers equally dislike.

When George I came over here, he brought certain German ladies, who enjoyed his confidence; and they were not very popular with the British mob. One of them was insulted, and she replied, "Good people, you do not understand. We come here for your good, for all of your goods." The reply she received was, "I have no doubt of it, and for our chattels as well."

I do not suggest that we are in Mesopotamia for anything but purely disinterested motives. The Arab does not believe us. . . . I think we purchased at the Peace Conference in Paris not a pup but a whole litter of pups. Iraq was the worst mongrel of the lot.

REMISSION of the Entertainments Tax for industrial and agricultural shows was proposed by Sir W. Joynson-Hicks (Twicken-

School Treats and Fat Women and the

ham), Financial Secretary of the Treasury, who immediately found himself in a hornet's nest like this: Mr. T. Griffiths (Ponty-

pool): I would like to ask as to musical entertainments in schools and at festivals, .

Col. Sir Charles Burn (Torquay): Has the Hon. Gentleman considered the case I sent to him of a school treat at which there is a charge

Mr. Ernest Evans (Cardigan): I wish to call attention to the case of musical festivals arranged by schools.

Mr. Edmund Turton (Thirsk): I am particularly glad for the concessions which have been made in regard to exhibitions of milking and horse-shoeing.

Mr. Mosley. (Harrow): I only rise to ask the right Hon. Gentleman whether this clause covers an amendment which I have on paper relative to

Mr. Hill (West Leicester): I wish to ask a question relating to flower shows.

Col. Woodcock (Thornbury): May I ask the right Hon. Gentleman whether we may under-stand that the words of paragraph iii, sub-section 1, include swimming entertainments? Major Ruggles-Brise (Maldon):

words cover athletic sports held at agricultural Do the

Snows Capt. Berkeley (West Nottingham): The particular society I have in mind is the League of Nations Union. It might quite well happen that such a society might wish to arrange an exhibi-tion or similar entertainment.

Sir W. Joynson-Hicks: A good deal of mis-apprehension seems to exist. With regard to the Welsh question of song, I remember a most eloquent speech by the Hon. Member for Pontypool (Mr. Griffiths) on the committee stage, in which he spoke of the sea of song drying up and degenerating into a small trickle. That does not come under this clause. . . . If you want an agri-cultural show to be exempt from entertainments tax it ... must not have sideshows, with musical chairs on horseback, pierrots, fat women or anything of that kind.

Captain O'Grady (Southeast Leeds): You ex-

empt the fat women at the show at the Empire Exhibi-

The result was that the amendment was negatived, and Sir W. Joynson-Hicks thought "the fate that attended my efforts . . . hardly encourages me in moving this

one (Hon. Members: "Oh!").
Mr. Linfield (Bedford); It might have been much worse!

Sir W. Joynson-Hicks: As the Hon. Member says, it might have been much worse; he might have taken part in the discussion.

NEVERTHELESS, overcoming discouragement, Sir W. Joynson-Hicks did move the next clause, and this concerned a remission of the ways. sion of the entertainments tax on the Empire Exhibition, the exemption of whose fat women had already been the subject of comment.

Sir J. Simon (Colne Valley): . . . That is the way we are going to make a happy Empire! We are going to make a nappy Empire are going to make our friends across the seas like

us by giving them 3d, in 1s! ... Mr. Pringle (Penistone): Apparently the bonds of Empire are to be tightened and the hapbiness of our Colonies to be ughtened and the happiness of our Colonies to be won by giving them 2d. in 1s. when they enter the exhibition. . . . We know the Empire Exhibition is in deep water but we are colorious to the colori water but we are going to give 14,000 pounds to its secretary for reasons which have not been disclosed to the House.

An Hon. Member: "Ex-secretary."
Sir J. Remnant (Holborn): The general manager!

Mr. Pringle: The General Manager. Possibly this concession is intended to make up for the 14,000 pounds which the exhibition is going to sacrifice. . . . We have seen a great many strange things done. There was the fat lady that we heard of one. heard of at the agricultural shows, because of which the Agricultural Society has been barred from from getting relief from the entertainments

Mr. Wallhead (Merthyr): I agree with the Hon. Member from Penistone in regard to the gentleman he named, whose winter of discontent has recently been made glorious summer in the form of treasury notes. . . .

THE pocket nerve was again on edge, on another day, when Mr. Rose (North Aberdeen) paid his respects to the Air Ministry.

In Which An Hon. Member Makes Use of Harsh Words

He was certain that his remarks, which might be inserted in the rhetoric textbooks as a study in superlatives, would

not be pleasant hearing for the Secretary of State

I regard as the most mischievous creation, the most pestilent idea, of all the numerous progeny of the one-time Prime Minister of England. I have read somewhere a legend of Roman history about an emperor who used to feed his horse with gilded oats out of a golden manger. He was a pattern of rigid, almost Scottish, frugality beside that arch-bureaucrat and super-squandermaster of all the ages, the right Hon. Gentleman the Member for Carnarvon Boroughs

(Mr. Lloyd George).

He used to get up in the morning and make a couple of departments as a sort of constitutional exercise before breakfast. . . He took the name plate off the Treasury Buildings and substituted the legend, "Tom Tiddler's Ground. Gold and silver to be picked up here. All that you cannot stuff into your hats and pockets, put a chalk mark on, and it will be sent home for you.". If the defense of this country has to depend on the Air Ministry, then heaven help us if we are ever attacked.

The Healthy Trade of Holland

European Disaster Fails to Beat the Dutch
By FREDERICK SIMPICH



Photographs by courtesy of General Motors Corporation and Pirestone Tire and Rubber Co

dam out of jobs. As long as the French stay. it means that most of the trade of the occupied area will be routed through France and Belgium, enriching Antwerp at Holland's cost. Incidentally, though Rotterdam ordinarily has handled about 12,000,000 tons of shipping a year, is has now been outstripped by Hamburg because of cheap rates quoted by German vessels.

Various plans are afoot to meet these emergencies. All Dutch government employes are slated for 10 per cent salary cuts next January, and another 10 per cent cut later. To save money, Dutch commercial attaches abroad have been recalled; and to encourage foreign trade, an export credit

scheme is set up.

Although Holland's general financial condition is improving, her trade for 1922 presents some odd anomalies. Her adverse foreign trade balance increased, and almost every business organization reported a bad year. Yet she exported more than twice as much as in 1921, measured in tons, but less, measured in florins or dollars. Even in industrial lines, wherein there has been the most trouble, many industries have had a greater output than ever before.

Much of the import trade, says our Consul at Rotterdam, was in cheap German goods, which competed so successfully with Dutch products that in many cases they drove the latter out of the domestic market, while, on the other hand, Germany and central Europe were unable to absorb the usual amount of Dutch exports, with the result that new markets had to be sought, and in many cases goods were dumped abroadwhich accounts for the startling spread between export volume and value.

By heroically writing off large losses, and putting decadent firms into bankruptcy, better financial conditions were attained. Vet failures were beyond anything in Dutch history-the total being 3,403 as against 1,842 in 1914. Some of the largest banking, insurance and shipping concerns, hundreds of small shopkeepers, professional men and persons in every walk of life went bankrupt.

The great collapse in values was arrested, however; debts were consolidated and refunded, and many leading stocks improved. Money circulation was contracted and the florin was strengthened, though over \$10,-000,000 of the Government's reserve was exported-mostly to New York. In the past 18 months, many American securities held in Holland have also been resold to the United States. To us, also, the Dutch sold many shares in Royal-Dutch Shell petroleum.

One Rotterdam banker estimates that from 700,000,000 to 900,000,000 florins of German money is now on deposit in Dutch banks. This has helped stabilize the florin. The balance of trade against the Dutch and in favor of the Germans amounted in 1922 to about \$167,000,000, most of which seems to



of all Dutch imports, but took only 13.4 per cent of Dutch exports; we supplied 13.3 per cent of all Holland's imports, and took about 7 per cent of her exports. As compared with 1921, we lost and Germany gained in trade with Holland. Our loss arose mostly from decreased coal shipments and reduced grain values

On the whole, our trade with the Dutch is better from their standpoint than from ours. As one of our consuls explains it, the depression in Holland has been such that the people have been forced to buy less foreign goods than usual— at least high-priced foreign goods such as are imported from the United States-while this self-same depression has made it necessary for them to export certain of their products at whatever price they would bring. In practical operation that has meant that much of the goods imported in recent years from the United States have been bought the past year in smaller quantities, and especially in cheaper markets, while the improved business conditions in the United States have made the absorption of more Dutch goods possible even in some cases at an advanced price.

Much of the decrease in the value of the imports from the United States is in lower prices for the goods imported, but there has also been an actual shrinkage in volume in many lines. The outstanding features of this decrease include the disappearance of coal from the American exports as a result of conditions in the United States and the domination of the coal trade of the Netherlands by British mine owners, and the practical disappearance of iron and steel from the American export list, resulting primarily

from German competition.

Holland today is a good customer for American staple commodities, such as grain, cotton, iron and steel, petroleum. There has recently been an appreciable increase in American exports of chemicals, certain textiles such as clothing and knit goods, automobiles, scales, cash registers, typewriters, calculating machines, canned goods and fine food products. Also, Ford has an assembly plant at Antwerp, and many of his cars and trucks are now sold in Holland. Ninety per cent of all cars in Holland are American-made and yet we sell the Dutch more bicycles than motors-dollar for dollar.

There is a steady demand for our rubber manufactures, rainproof fabrics, bicycle tires (of which Holland imports a value approximately the same as automobile tires), towels, bath-mats, cotton rugs and covers, mixtures of American silk and cotton, silk hosiery, underwear, toilet preparations, dental supplies, office equipment. Lately one American packing plant sold an issue of its bonds in Holland-presumably to help its meat sales there.

American exports to Holland, however, during the first half of the present year showed a decline of 6 per cent, while Dutch imports into this country increased by 54 per cent. This recent 6 per cent decrease in our exports is accounted for in the falling off of agricultural products; sales of wheat and wheat-flours decreased, and corn to a less extent. The United States bought from the Netherlands increased quantities of creosote oil, linseed oil, crude rubber, cocoa butter, polished diamonds, seeds and drugs. We have now displaced Greece as the leading shipper of dried fruits to Holland. California dried fruits are becoming popular in the Dutch markets and canned goods are coming more into use.

Holland, lying in the path to central Europe, is well covered by American salesmen.



Yet our tourists, lately have avoided it.

Though 50,000 Yankees toured Europe last summer, few of them saw Holland; its high exchange rate held out no lure of bargains or cheap travel and hotel life. Yet the few Yankee trippers who know Holland are struck by the wide display of familiar American wares, trademarks and window cards. Yankee druggists' sundries are particularly conspicuous. Our toilet preparations are very well known; hardware stores display quantities of Yankee tools, electric equipment, flash lights, vacuum cleaners, washing machines, meat choppers and small mechanical devices

of many kinds. Our typewriters are favorites.

Important items in Dutch transit trade that we sell Holland are cotton, grain and to-bacco. The tobacco is usually mixed with Dutch colonial brands. Important reexports and transit shipments of goods from Holland to this country are quinine, cocoa butter, diamonds, seeds, rubber and creosote oil-

which comes from Germany.

Holland not only reexports to this country the products of her colonies, but has built up a fine trade in certain specialty articles. For example, although the main source of diamonds is in British hands, Amsterdam re-mains the leading center of the cutting and polishing industry.

Diamond merchants in Amsterdam employ about 10,000 men. Three-fourths of these were out of work at the end of 1922; but the revival of trade in the United States has put the industry on its feet again and America is the world's chief market for precious stones today. It is estimated that Holland makes an annual profit of \$6,000,000 on this trade. In 1919 she sold us over \$53,000,000 worth!

About one-fourth of Dutch imports of to-bacco come from the United States. This is in the form of leaf, for smoking tobacco and cigar filler. Holland also reexports large quantities of Sumatra leaf to the U. S. A. for cigar wrappers. This business amounted to \$14,000,000 in 1922. The continental market for Dutch cigars is poor at the present time. ent time. Germany, formerly the largest customer, is too poor to smoke the more expensive brands.

In the last few years, Holland's adverse trade balance has totaled many billions of florins. But, like Great Brit-

ain, she manages to pay for William William this surplus of imports by cashing in on her curiously favorable place on

the map of

world trade. Hers is the old study of an apparently "unfavorable" balance. To pay tor big imports, she uses the millions she gets from her foreign investments (estimated at \$1,500,000,000), the earnings of her merchant fleet, and the huge profits on the transient diamond, rubber, tobacco and other trades.

For centuries the East Indian archipelago has been identified with world trade as a producer and exporter of tropical products. It is her ownership of the Dutch East Indies, the greatest of island empires, which makes Holland today the third colonial power in the world. Lying in the Pacific Ocean and extending over 3,000 miles between the Malay Peninsula and Australia, and on the main highway between the East and the European markets, these islands have assumed an important place in the commercial life of the

Java and Sumatra form the Dutch trade stronghold in the East. There are tales of Dutch concerns making profits of 90 and 100 per cent a year on oil and sugar investments. Here, too, other nations have gained a strong foothold. One report says that our old friend Hugo Stinnes, and his Rhine-Elbe Union is building a huge steel plant at Cheri-bon. Rails, bridge steel and rolling stock for the state railways will be built and from here, too, the Germans—having lost Shan-tung—will operate to get railways business in the Orient.

Scores of companies, Dutch, British, Chinese, and others, capitalized at many millions. operate here, in sugar, rubber, oil, kapok, electric power, and other industries. Java is one of the richest and most thickly peopled islands on earth.

One-third of all the world's rubber, or about 1,000,000 acres, is planted here. Onetenth of this belongs to Americans. Exports are from 50 to 90 thousand tons, of which about half goes to the United States direct. A large part of the crop goes to Singapore and is later shipped to the United States. The British ship from 150 to 200 thousand tons of rubber from Singapore and about three-fourths go to the United States. includes reexports from the Dutch colonies.

line and comes a close second to Mexico in fuel oil. There is only a very small reexport of East Indies petroleum products from Holland; most of such exports are benzine going to Germany. Thus the East Indies are not even supplying the Dutch home market.

Holland carefully keeps a tight hold on all her own colonial financing. She permits no foreign lenders to advance money directly to Java or Sumatra. Time and again, the Indies have wished to deal directly with American bankers-but such efforts were unsuccessful.

The Indies have needed much money in the last two years, because they were over-expanded in the boom period and were left with large stocks of rubber, sugar, tea, coffee and other tropical products which had been produced at high prices and could not be sold except at a heavy loss. The position was somewhat the same as that of the silk industry in Japan or the wool interests in Australia. It was so with tea stocks in Holland. Thousands of chests were piled up there, keeping prices depressed for years.

Centuries ago Dutch voyagers brought home tulip and hyacinth bulbs from Turkey and Asia. Now-thanks to Holland's long, intense bulb culture-thousands of American florists depend on Holland for their stock. The United States is now the best market for these bulbs which formerly were in great demand in Germany. Before the war we took annually about one millions dollars' worth; the figure has now grown to three and onehalf million or one-third of the Dutch exports.

Dutch industry has suffered severely from the competition of cheap German goods. Dutch investors were the hardest hit of all foreigners in the collapse of the German mark holdings. Holland and Denmark both bought marks on speculation, and most banks and business men were "caught bending." Holland also stands to lose much of her transit trade if Germany goes under.

In trade, we can hardly hope ever really

prove, such being the case in the iron and steel trade, in machine tools and machinery, electrical applicances, in meats and other goodsin almost anything, in short, as conditions

On a strictly competitive basis and under present conditions American exporters, if they will establish the proper sort of agencies and afford facilities to them, can greatly extend their business in many sorts of textiles

and cotton goods.

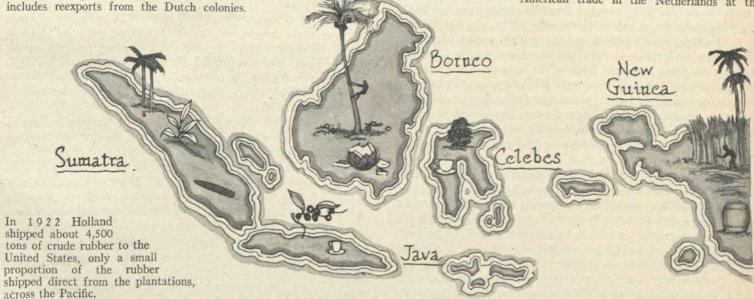
There is an increasing demand for good silk hosiery at a reasonable price, as well as for good cotton hosiery. American cotton nor good cotton hosiery. American cotton underwear is popular, and its sale in the Netherlands has greatly increased the past year. There is still room for the extension of the sale of American toilet preparations, dental and similar supplies, though the United States already has a large trade in such goods.

There is a steady demand in the Netherlands for rubber manufactures of all sorts, for manufactures of rubber and cotton, and rain-proof fabrics, which American manufacturers can fill. Our makers of bicycle tires probably don't realize that the imports of such tires into the Netherlands last year reached a value approximately the same as that of automobile tires.

American office furniture, including typewriters and calculating machines, is the standard equipment in such line in the Netherlands, but there are other items in office equipment which can well be introduced there. American automobiles may be said to be the standard in some respects in the Dutch market, and there is an increasing demand for automobile accessories and luxuries-the refinements of American automobile life which are not yet so common in Europe.

American exporters of many goods have restricted their operations somewhat by selling solely through a European agent located in London or in some cases in Paris or Berlin, This field can best be cultivated by an agent in the Netherlands and, where the situation can at all justify it, such agents should carry good stocks.

The chief requirement for the extension of American trade in the Netherlands at the



Though an oil country, the East Indies buy much in the way of refined petroleum products from us. Even in the Holland market, our petroleum products lead, in spite of the active competition of the Royal Dutch. The Anglo-Persian has almost dropped out of the market with the ending of the agreement with the Royal Dutch. The United States leads in lubricating oil, lamp oils and gaso-

to "beat the Dutch." Yet, as conditions improve, we can undoubtedly win more trade in iron and steel, tools and machinery, meat, electrical goods and certain other lines. In a late report, our Consul at Rotterdam points out that American trade in the Netherlands can be increased greatly in many lines when conditions im-

present time is more confidence in this field on the part of the American exporter and more modern aggressive merchandising along the same lines American firms apply in the United States. Advertising in Holland pays as well as it pays anywhere else, and in most lines the Dutch people have the same needs and are influenced in the same way as people in any other modern country.

The NATION'S BUSINESS

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MERLE THORPE, Editor

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December, 1923



Business Made Less Than 1% in 1921

THE COUNTRY'S BUSINESS conducted in the corporate form had a margin of net income of less than five hundred million dollars in 1921. In other words, the 541,000 corporations which engaged in all the different kinds of business conducted in the United States—manufacturing, mining, wholesaling, retailing, transportation, banking, insurance, building, and all the rest—had left, out of a gross business of \$55,000,000,000, an aggregate of only \$458,000,000 as net income, or less than 1 per cent.

In 1920 some 488,000 corporations had a gross business of \$118,000,000,000, and among them had left a net income of \$4,873,000,000, or something over 4 per cent. The figures were even more favorable for 1919, when corporations numbered 430,000, had a gross business of almost exactly \$100,000,000,000, and had a margin of net income aggregating \$8,416,000,000, or better than 8 per cent. In 1917 and 1918 the gross receipts of all corporations were pretty steady, being eighty-four billion dollars in 1917 and eighty-six in 1918; but in 1917 net income aggregated \$10,100,000,000, or 12 per cent, whereas in 1918 it was \$7,672,000,000, or 8 per cent. In 1916 the gross receipts of corporate business were thirty-five billion dollars and the net income was \$7,100,000,000, or 22 per cent.

These statistics are taken by the Treasury Department from returns for income tax. The data for 1921 have just been made public. Although it is a bit late in the day, there is still some interest in figures tending to show how bad conditions were in 1921. As a matter of fact, aggregate figures for all businesses do not bring out the whole of the picture for 1921, for different sorts of business were affected in varying degrees.

If manufacturing is considered by itself it proves nationally to have run in 1921 at an actual deficit exceeding \$100,000,000, and the wholesale and retail trade of the country, taken together and as a whole, had a deficit almost half as big as the aggregate deficit of manufacturing corporations. Manufacture and distribution of merchandise in the United States, consequently, did not even pay the expenses recognized by the federal incometax law, let alone make anything to go toward extensions or dividends.

This is the general story. A continuation of it might show that corporate business in 1921, with an aggregate net income of \$458,000,000, paid on net income, taxes which reached \$701,000,000 and that manufacturing corporations which, taken as a whole, had a deficit nevertheless paid \$351,000,000 in taxes on net income. Such apparent absurdities arise when the figures are combined. Of course, income tax is not levied upon combined results but upon the results of individual corporations. Thus, it happens that while 42,000 manufacturing corporations in 1921 were piling up a total deficit of \$1,898,000,000 some 37,000 managed to keep out of the red and showed total net income of \$1,777,000,000, out of which the whole of the \$351,000,000 in tax came.

Analysis of the statistics for the operations of a country's business in a year is fascinating, and could be carried much farther. As a final, graphic comment upon business in 1921, however, the percentages of corporations reporting deficits may

suffice. By kinds of business the percentages for industries showing more than one half of their corporations in the red were:

Mining	75 pe	rcent
Rubber manufacture	60 ne	r cent
Metal manufacture	64 mos	r cont
Chemical manufacture	57 me	r cent
Manufacture of paper and pulp	56 mar	r cent
Lumber manufacture	EE mas	e cont
Leather manufacture	55 pe	r cent
Textile manufacture	51 ner	r cent

Ethics for Eleven Industries

TRADE PRACTICE submittals are used by the Federal Trade Commission as a means of consulting industries about the practices which should be considered fair or unfair. This method has now been followed about questions in the following industries, or relating to the following articles:

Butter manufacturers
Creameries
Celluloid industry
Gold-filled watch cases
Gold-mounted knives
Sheffield-plated silver hollow ware
Rebuilt typewriters
Knit goods industry
Macaroni industry
Oil industry
Pyroxylin plastics industry.

Quack! Quack!

NOW THAT the Congress is to be convened, eager and resourceful political pathologists will come forward with pet prescriptions to be tried on the American social and economic anatomy. Gentlemen of that kidney are chronically pessimistic about the state of the nation's health. They are quick to mistrust the benefits and blessings from the regimen of an older practice. Foreign remedies are the vogue among some of the newer practitioners, for to use the simples of domestic origin holds no hope of matching the publicity that greets cure-alls from overseas.

So it is that Senator Brookhart, in quest of foreign demulcents for our body politic, returns from Europe with an unguent highly recommended in England. His diagnosis puts this nation in poor case. The competitive and capitalistic system has demonstrated its futility, he believes, and must be replaced at once by a cooperative organization of society—a major operation, if we read him aright.

To support his findings he points to the impressive accomplishments of the Cooperative Wholesale Society in England toward ameliorating the distress of the working class. Admitting that the American patient might be better, have not some favorable symptoms been overlooked? What of the high standards of living, the comforts, even luxuries under the American system? British workmen are not noted for their telephones, phonographs, bath rooms, motion picture entertainments, or automobiles. Those conveniences are not rare among the workingmen of these States. Ah, those foreign bodies in the eye! How easily they put near worth out of focus!

But mark the Senator when he is in full character of the clinic.

America is under a super-government today. It's the super-government of high finance and of the railroads that are the pawns in the game of high finance. And the high temple of its priests and acolytes is the temple that has just been built in Washington, the nation's capital, by the United States Chamber of Commerce.

. . . but when it comes time for the vote in Congress on the McCormick Bill, that carries the \$5,500,000 appropriation to make that nine-foot chan-

nel that will compel railroads to lower their rates through its competition, there'll be a quiet little meeting called in New York. Then Jack Morgan will say: "Get busy, boys, this thing has gone far enough," and then you'll see some activity in that magnificent new temple of the United States Chamber of Commerce at Washington.

So assurance speaks and our eyeballs are seared with the glittering iniquities revealed—the dollar almighty, the railroads mere pawns, organized business putting up a temple to Mammon, and "Jack" Morgan the stage manager of the whole profane spectacle.

Then we looked out of our windows toward the "temple" and gave thought to the one hundred and fifty upstanding American workmen who are translating Cass Gilbert's vision into stone. The throbbing drone of an air hammer came to our ears. No, Senator, you can only govern men by serving them. The rule is without exception. And in that faith we come to an amused tolerance of those who seem to see themselves

". . . the original friends o' the nation— All the rest air a paltry and base fabrication."

Looking for Light on the Tariff

THE FLEXIBLE TARIFF from the point of view of the Tariff Commission may get some exposition about December 1. On that date, the commission has said, it will make public the data it has collected in the course of its investigation in connection with an application that it recommend a reduction in the duty on sugar.

About the same time the commission has promised a statement of the principal problems it believes arise. The purpose of the commission in this procedure is to inform all interested persons regarding the facts as it has found them and respecting the points on which it would like to hear arguments at public hearings that are to open on January 15.

In October the commission announced its first decision on a question about the flexible tariff. It was not, however, a decision that a duty should, or should not, be raised or lowered to equalize costs of production. Such a decision the commission would presumably transmit to the President rather than issue immediately to the press. In this instance, the commission dealt only with a question of construction, and held that the duty as to which it had received a petition did not come within its jurisdiction.

It did not reach this conclusion unanimously. Two of the commissioners looked at things differently, insisting that when Congress transferred logs of fir, spruce, cedar, and western hemlock from the free to the dutiable list it meant to levy a duty even though it provided that if such logs came in from a country which had not placed limitations upon exports the duty was not to be collected. The majority held that in fact the intention of Congress was not to impose a duty but to provide a penalty, and that the flexible tariff does not apply to penalties.

Argentina Has a "Sherman Law"

ARGENTINA has a new trust law. The Sherman Act may have been the starting point from which the Argentine statute was developed, while pending in the Argentine Congress for three years, but in the processes of Argentine legislation, let alone in the course of translation into Spanish and back again, it has pretty largely disappeared.

The Argentine statute declares any combination of capital tending to establish or sustain a monopoly and to permit of its profitable manipulation is a misdemeanor. It goes on to define acts which constitute a monopoly, or tend to create a monopoly. In general they are acts which, "without involving any technical progress or any economic progress, augment arbitrarily the

profits of those who employ them out of proportion to the capital actually employed, and acts which impede or are intended to impede the free commerce of other persons."

The impeding acts are still further defined as intentional destruction of commodities for the purpose of bringing about a rise in prices, abandonment of production in consideration of indemnities received through pools, etc., agreements for the apportionment of territory as exclusive markets in which prices may be raised or prices may be fixed, creation of artificial scarcity in prime necessities, deliberate sales below cost with an intention to impede competition, agreements binding the purchaser not to buy from a competitor, agreements for maintenance of resale prices, interlocking of directors which might lead to a restriction of competition, and guarantees given by employers or employes to merchants selling merchandise to workmen.

There is no provision for restraining future violations of the law, but only a criminal penalty. For a first offense the punishment may be a fine or imprisonment. For a second offense both fine and imprisonment are to be imposed. If the offender is a corporation all of the officers who had anything to do with the objectionable transactions are to be held personally responsible.

The educational system of Argentina is to benefit from enforcement of Argentina's anti-trust statute. The proceeds of all fines collected are to go for public education.

To Branch or Not to Branch

BRANCH BANKING bids fair to become a popular subject for difference of opinion. There is now before the Supreme Court a case in which the state of Missouri has undertaken, in connection with branch banking, to tell a national bank what it may and may not do under its national charter. The Department of Justice has appeared in the court to contest any such right on the part of a state. Eighteen states have ranged themselves in court with Missouri.

After obtaining the opinion of the Department of Justice the Comptroller of the Currency has recently issued regulations to national banks, telling them that they cannot in any case open branches outside their own cities and that branches cannot undertake any business except matters of a routine character.

While the banking fraternity was mulling over these regulations, the Federal Reserve Board tackled the question from another angle, announcing that it was not unanimous in its decision, but that it had a majority and minority party within itself.

The majority held that after February 1 the board would refuse to admit to membership in the reserve system a state bank which had branches outside of its own community. The point of view which led to this conclusion was that, as members of the system should be on approximate terms of equality and national banks cannot have branches outside of their communities, state banks desiring to come into the reserve system should stay inside of their communities.

A minority of the members of the Reserve Board think such a position is erroneous, in that the Reserve Board should not attempt to tell a state bank that, when it enters the reserve system, it cannot exercise rights which were conferred upon it by its state.

Devolution

A ROLL OF WIRE and a sheep dog constitute the equipment and staff to which British farmers will be reduced, they recently told the Prime Minister, unless something happens to improve their conditions as cultivators of the soil.

This phrase means that lands will be diverted from tilled crops to grass, farm laborers discharged, and each farm be made a "ranch," raising sheep or other livestock.

Germany at the Crossroads

American Administrative Commissioner,

International Chamber of Commerce.

Illustrated by Charles Dunn

(Paris, November 2, 1923.)
HE RESPONSIBILITY for the crime of the inflation of

Comedy and Tragedy of the Mark By BASIL MILES

the German mark-a crime for it has laid a great people prostrate-will no doubt prove a matter of controversy for years to come. There will probably always be two views as to how far the German Government and the German people-either or both-were merely and unavoidably the victims of circumstances following the armistice and of the terms of the Peace Treaty, or, on the other hand, how far they were deliberately and di-rectly responsible themselves. The fact remains that, wherever the responsibility may lie and whatever the true causes may have been, the German Government, from the time of the armistice and especially since the occupation of the Ruhr, abandoned its time-honored rôle of benevolent paternalism. Particularly since last January, its career has been conspicuously that of The Rake's Progress.

The situation was bad enough at the beginning of the year, when the revenue was only some 25 per cent of the expenditures. But even this condition is not comparable with that at the end of August, when the revenue was only seven-tenths of 1 per cent of the expenditures. Last January the gold reserve was about the same as it was in 1913; it is now only about one-half as much. Apparently in 1913 the gold reserve was about 40 per cent of the par value of the note circulation. It is now only some astronomical fraction of the par value of the note circulation—something like one ten-millionth!

The Diminishing Tax Yield

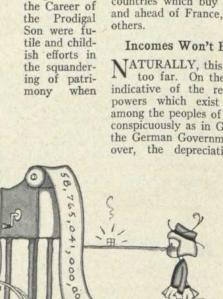
THINGS have gone beyond the dreams of fantasy. In the last weeks of August the service of the funded debt for interest, over a ten-day period, amounted roughly in foreign exchange values to one gold dollar. yield for some of the principal taxes, including that on beer and coal, in Augustamounting to millions in normal times—is asserted to have yielded less than 90 gold dol-There has never been

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anything like it in history.

The Rake's Progress and the Career of the Prodigal Son were futile and childish efforts in the squandering of patrimony when



compared with the achievements of the German Government. History alone must make the final decision as to whether the German leaders were right in adopting the policy of passive resistance. It is sufficiently evident, however, that in backing this policy the Government of Germany obviously faced the prospect of financial suicide, and trusted to the average German to subscribe the funds for the expenses of the intervening dance of

Merchants Still Buy With Gold

death.

THE RESULTS are now sufficiently plain and press with terrible force on a country today which is still potentially rich and powerful. In fact, few other countries, if any, could have stood the strain. For example, during the very period when the German Government finally committed itself to irrevocable and incurable inflation, namely, the first six months of 1923, official reports show that German merchants were able to make gold purchases of goods in the United States exceeding 143,000,000 dollars! There was nothing iniquitous about these purchases. On the contrary, they were no doubt necessary for the maintenance of German industries at home and consisted in large part in securing shipments of copper and cotton. The point is that, despite the staggering strain to which the German economic fabric has been subjected since the armistice-concerning which there can be no reasonable question whatever -Germany was still able to figure as America's third greatest customer. Despite all the adverse conditions which have been so patent, Germany still possessed purchasing powers which ranked her people third only after Great Britain and Canada, among the great countries which buy from the United States, and ahead of France, Italy, Spain, Japan and

Incomes Won't Buy Morning Paper

NATURALLY, this point cannot be pressed too far. On the other hand, it is really indicative of the recuperative and creative powers which exist practically everywhere among the peoples of Europe, and nowhere so conspicuously as in Germany. It is true that the German Government is bankrupt. Moreover, the depreciation of the mark has

submerged whole classes of the German people. land - owner small retired years ago from active business, leased his farms for twenty years at a rate which he expected would keep him in moderate luxury for the rest of his life-50,000 marks (about 12,000 dollars)

year. Today, his entire income will not purchase a newspaper on the streets of Berlin, because on

October 1 a newspaper cost 4,000,000 marks, or 500,000 dollars at pre-war exchange values! He has gone under and disappeared. Instances of this kind have been cited so frequently that they are a byword. The class of people who lived on fixed incomes has gone down-nobody knows quite where. Yet relatively few complaints from Germany have been heard, and few, if any, have attracted the charity of people and governments in other countries. No doubt in France a similar class of people has lost from one-half to two-thirds the value of their capital through depreciation, but during the last four years in Germany they have been gradually and completely impoverished.

But Germany has been like the sand where the depression of every footprint leaves a higher ridge around it. While some have gone down to the bottom of the footprint, others have risen to the top of the ridge around it. By some economic readjustment which is still hard to trace in detail, the economic fabric of society has proceeded, changed, but is still effective. In one sphere, certain classes of business men, in spite of adverse conditions, have been especially favored. It is freely stated and generally admitted that industry and trade until recently have been very lightly taxed in comparison with wage and salary earners, and furthermore, that the former have had the advantage of unlimited Reichsbank credits at nominal rates.

Gamblers Pyramid Fortunes

BUSINESS men having access to the credit supply of the Reichsbank were in a position to use this credit, if they felt so inclined, for speculation in foreign exchange with practically no interference from the government. Furthermore, their taxes were in paper marks. If they chose to gamble by borrowing marks and then buying foreign exchange in the interval, they could pay their taxes six months later in paper marks for a song, which, if pyramided over the post-armistice period, might well result in the amassing of large reservoirs of new capital.

Whether there is anything in this suggestion or not, the situation today is interesting. Before the war, one of the great handicaps to German commercial expansion, both at home and more especially abroad, was lack of capital. It used to be said that Germany was a great and powerful country, not only in a military but also in an industrial sense, but that the great defect and handicap was a lack of free surplus capital. Since the war, the investment of German capital abroad has been a constant source of anxiety and bepuzzlement on the part of the Allies. Estimates of the amount of German profits made in the sale of paper marks abroad have been made in figures ranging from 500 million to two billion gold dollars.

Credit Operators Make Millions

EVEN the minimum estimate is high and represents a direct and immediate profit of enormous sums for ready investment. No estimate, on the other hand, has been, nor probably can be, made of similar profits by credit operations within Germany itself. If it is true, and the authority is excellent, that German business has had free access to enormous credits with the Reichsbank, the spec-tacular expansion of the interests of persons like Hugo Stinnes can be understood at least in part. A certain flight from the mark was unavoidable. The question is whether, through exchange operations and the credit assistance of the banks at home, the fall of the mark has not been used for quick profits on an enormous scale, releasing new funds for investment abroad, which, before the war, Germany was supposed to lack.

Statistics are valuable and often illuminating, but they are never conclusive unless they are complete. Nevertheless, a few facts emerge which appear capable of general acceptance. It is generally admitted and sufficiently obvious that a certain class of owners and managers of German industry have made fortunes, whether these are all mere paper profits remains to be seen. It would seem that this applies not only merely to industry but also in many cases to finance and trade generally. It is further evident that while some classes of Germans have been impoverished and even submerged, there is a new class of profiteers and middlemen

which has made great profits and is well-to-do. Workmen Getting Living Wage

IT IS admittedly true that the condition of the workman has been less favorable than before the war, but he has had a living wage and rents have been so controlled by law that they have become practically nominal and form an insignificant item of his budget. Finally throughout the period since the armistice, the farmer in general has done well and is now reported to be prosperous. This year his crops, in some lines of production, appear to be the best for fifteen years or more. People must eat, and until now the farmer has been able to market his produce at a price relatively favorable to what he can purchase with the proceeds, especially when it has come to the payment of rent and mortgages. To put it mildly, it is there-

fore evident that a large section of the people has achieved reasonable living conditions. The other side of the picture is one of penury and hardships, extending to absolute destitution in many sections of the middle classes, including especially persons living on fixed incomes, and those in the trained professions—doctors, lawyers, teachers, professors. The amazing thing is that every-

day life, especially since the occupation of the Ruhr, has been able to proceed at all. But the human being is tenacious of his habits and daily routine. As the mark declined, prices were readjusted to meet the spread. As prices were readjusted, the workers and all receiving salaries or wages, demanded a corresponding increase in pay.

At first this was done once a month. A year ago, as the fluctuations became mark more violent, a readjustment was made as often as every ten days. In September of this year, when the mark depreciation had

become fantastic, a readjust-

ment in many cases was made daily. The readjustment proved less difficult than might be imagined. Gradually harking back to gold mark values, the people adopted the practice of using a multiplier. For example, in hotels the management figured out the price of rooms and meals, etc., in gold values, and then applied a multiplier which represented approximately the gold exchange value of the mark for the previous day. At the end of September this multiplier was something multiplier was something like one to 30,000,000. same practice was soon followed in retail stores and shops. It was equally applicable in railway dining cars. The mathematics involved has often proved embarrassing for ordinary shopkeepers and government employes, who have been unaccustomed to figure in millions and trillions. Nevertheless, they have learned to handle 500 million and billion mark notes and figure the correct change. Dealing in foreign exchange became an almost universal habit. Exchange offices are on almost every corner in the large cities. A better rate can usually be procured at the bank, but the demand is so insis-DEARK O tent that the small offices do a thriving business. Apparently when the average German gets enough marks, he goes and buys dollars or pounds sterling, or some stable high exchange currency, which he again turns back into marksas yet almost invariably at a profitwhen he has to make payments. One way or another, in spite of the pressing anxiety of life from day to day, and forebodings as to what tomorrow may bring, German industry, thrift and intelligence have surmounted the pressure of incalculable difficulties. At the end of September the streets were thronged as usual with well-to-do-looking people, shops were open and taxicabs circulated freely in spite of the fares being raised practically to gold

levels. In other words, the surface life of the average town was not changed to

any notable degree. The chief and fundamental

danger is that today unoccupied Germany must face the possible breakdown of its entire economic system as a result of unemployment - hitherto practically non-existent-among its 8 or 9 million workmen and artisans. The collapse of passive resistance has seen a rapid and highly painful reversion to gold values, not only in prices and in the cost of living, but also in wages. It is not difficult to imagine conditions when unemployment shall become so serious that masses of unemployed, underfed and inadequately clothed, will break down the police authority of the state and create chaos. Estimates have been made predicting that by November there will be in unoccupied Germany 3 or 4 million absolutely unemployed-that is, nearly every other man out of a job and on the street. If that occurs, however extreme it may sound, the consequences cannot be accurately foreseen.

MARK FABRIKATO

Public Utilities Are Functioning

IN THE meanwhile, the railroads are in excellent condition and compare well with those in any country. The telegraph and telephone systems are functioning admirably. The occupation of the Rhine provinces, and finally of the Ruhr, stimulated water-power development to a notable degree, especially in Bavaria, and has given rise to what, on a large scale, is practically a new industry in the brown coal districts, where work is re-ported to be proceeding on a 24-hour basis. In a purely material sense, the German industrial establishment, as regards transportation and production, is unquestionably in a better state than it was in 1913. Indeed, it is very likely that with the diminished markets available, Germany may, for a time, prove overdeveloped. Moreover, the pre-war increase in population, from the last reports available, appears to continue. How to take care of this gigantic industrial plant,

with its admirable factories, canals, mines, rivers, railways, and well-run cities and towns and growing population, is a staggering problem. It must be remembered, however, that except for what Germany owes the Allies, the country today-if the figures for the service on account of interest on the funded debt mentioned above are anywhere near accurate -has no burdensome internal debt. Instead of an ignorant peasantry, as in Russia, where more than 80 per cent were illiterate, Germany is a country where education is practically universal and where the farmer, who still constitutes a large part of the population, is well-to-do, if not actually prosperous and thriving. The German farmer is hardworking and thrifty and the fallen mark has paid off many mortgages.

In short, the situation is one where statistics are far from conclusive. The fundamentals of the situation are still those of the human equation. The basic problem is that of unemployment. There are some who believe that with import restrictions—many of which are now actually in effect, excluding unnecessary articles—the industrial machine may stagger along on its home market without any export trade at all. In this sense, the problem is not one of prosperity, but merely the difference, in a "time of crisis, between a somewhat feeble survival and total collapse.

Underlying Strengths Remain

IT WOULD nevertheless seem incontestable that Germany is far from having exhausted its potential wealth and recuperative powers. Even the political problems, which inevitably bear on the economic situation, still seem insufficiently defined to produce a definite issue. It may be that the gulf between those who have and those who have not in Germany is so wide it will require the shedding of much blood to bridge it. There are those in Germany who want a house-cleaning on Mussolini lines, under the existing republican constitution. There are others, especially in Bavaria, who want a similar house-cleaning but on monarchical lines, substituting a Bavarian for a Prussian royal family. are militarists who want to repudiate the Treaty of Versailles-on the ground that it has been violated by the French occupation of the Ruhr-and abide by the result. men are prepared to go to war with France, and believe they can win-with rifles, machine-guns, light artillery, airplanes, gas, etc.
—in the open warfare of maneuver which would result. There are Communists who desire an out-and-out social upheaval and are awaiting their opportunity. These are only Neverthesome of the conflicting elements. result is that less, the net still prevails authority

and that it is still within the range of possibility for a strong hand to tide over the present crisis.

Any of the European problems of today could probably be understood if all the facts could be marshalled together and weighed and measured in their just proportions. The trouble is that all the facts are never available. Moreover, when a large body of evidence is finally collated and arrayed in series, there are still the imponderable factors beyond, whose effect is almost always surprising and generally incalculable in exact terms.

All Recreations Well Patronized

NOT TO mention others—and there are many-there are two interesting factors exerting an influence in Germany today. Just as the French labor under an inferiority complex as regards the Germans, so many Germans labor under a poverty complex as regards themselves. It is painful to talk to an average German nowadays, because he is usually so overwhelmed by the bewildering turmoil resulting from the currency inflation. He sees values disappear over night. He becomes a speculator on the future of the mark. He spends paper profits recklessly in a panic lest they disappear entirely next week. In spite of this, some people have made a great deal of money. Berlin theaters still flourish, football games and athletic sports where entrance fees are charged are still well attended, race meetings continue, and the Berlin automobile exposition the first week in October was thronged. Moreover, people are still able to travel at the new railway rates, which are ten to twenty times greater, in actual gold value, than a year ago. To illustrate this by a concrete instance, the railway fare from Berlin to Munich, with sleeping car, was, a year ago, 1,020 marks, or about 75 cents, at 1,400 marks to the dollar. On October, 1923, it was

October, 1923, it was 3,132,000,000 marks, or about 17 dollars, at 175,000,000 marks to the dollar, the exchange rate paid in Berlin at that time. A second interesting

A second interesting factor is the condition of the German universities. Certainly in Berlin, and apparently in other universities, the matriculations are greater than before the war. This is somewhat staggering when it was re-



called that the class from which university students were drawn is that which suffered most heavily from inflation. It is true that many students are now living in abject poverty, underfed, underclothed, and in rooms which often are never heated, even from December to March. There are apparently about 120,000 of these young men in Germany today. It is asserted that almost 70,000 of them eat at student's messes-a living ration, but no more-organized under the new conditions for that purpose. This in itself indicates the story. The desire for knowledge which, in the past, made Germany one of the most literate countries in the world, still persists among the German people. But this desire has taken new directions. For the first time a distinctive place is said to be given to the faculties of economics and political economy. Moreover, it is stated that today half the students in German universities are working their way through college. It is not an exaggeration to say that before the war such a thing would have been regarded with apprehension. Someone has said that the German university student today is concerned with "stronger convictions and weaker beer." Whether that be a fact or not, there seems to be ample evidence that the German student now goes to the university with a more serious purpose than was ever the case before the war. Regardless of the poverty and hardships of his physical environment, which seem incontestable, the net result must inevitably prove stimulating for the rising generation.

All Still Highly Organized

COUPLED with these circumstances, it is not surprising to find that the students themselves have organized an association called "The Economic Self-Help Organization of the Students of Germany," which now has 43 branches all over the country. It is understood that this association not only has the support of business men and bankers but also of the government. This support takes form not only in direct contributions, but also in an organized effort, typical of German development, to connect the student with vacation employment.

evelopment, to connect the student with acation employment.

Nevertheless, the chief factor in the immediate problem is that of unemployment. It is easy to conceive that even so highly organized a system of industrial and agricultural society as that which exists in Germany today can be undermined, disrupted and even finally

undermined, disrupted and even finally wrecked if large masses of unemployed defy and finally overthrow the police authority of the state. But despite the centers of communistic unrest in Saxony, Thuringia, and even in the Ruhr, the German people, as a whole, by tradition and by inclination, have acquired a training and respect for authority and for the

rights of private property.

Although the German Government is bankrupt, German foreign markets restricted or eliminated, German production impaired to a serious and dangerous extent, the standard of living among too large a proportion of the population reduced, and business become speculative to a degree almost beyond belief, still the potential strength of the country is great if the Germans themselves will face the facts, and, to use a homely phrase, "rake

their own chestnuts out of the fire" instead of expecting other people to do it. They are at the crossroads and must decide.

A Distinct Step in Progress

By HERBERT HOOVER Secretary of Commerce

THE Department of Com-merce shared in the merce shared in the initiation of the joint committees which have comprised this transportation conference under the Chamber of Commerce. These committees, comprising the representatives of the transportation facilities, shippers of goods, labor and the farmers, represent more fully than any conference hitherto that part of the community which is primarily interested. They represent a direct step to secure constructive cooperation of the forces outside of the Government. The government departments have indeed cooperated with these committees in the development of their research and conclusions, and I feel sure that these conclusions are a contribution to the constructive development of our transportation.

The divergent interests in our economic system may not be able to agree upon all is-

sues, but the primary consideration of progress is to secure agreement on as large an area of subjects as is possible and then agree to disagree on other matters until solution can be found. This has been the spirit of these committees and the discovery of large areas of common agreement is a distinct

IN SUMMARY form below, Mr. Helm gives the findings of the committees which laid the foundations on which the forthcoming Transportation Conference will build. A report with recommendations has been prepared by each of these six committees:

Governmental Relations to Railroad Transportation Railroad Consolidation

Readjustment of Relative Freight Rates Schedules

Relation of Highways and Motor Transport to Other Transportation Agencies.

Development of Waterways and Coordination of Rail and Waterway Service

Taxation of Transportation Agencies

To readers who wish further information on the work already done, "The Nation's Business" will be glad to send in pamphlet form the reports of any or all of these committees.

contribution to the problems we must meet. The individual American railroad, like the

individual American business, has reached an efficiency unequaled elsewhere in the world; but the collective efficiency of the American railroads in their many relations like the collective efficiency of American business

has not at all times been equal to the requirements it has been called on to meet with the growing complexities of our economic life. Moreover, the weight of legislative action is borne unequally by different railway systems, rates have drawn un-qually on different sections of the community and on different commodities.

The conclusions of these committees—that private operation of the railways is essential; that consolidation of the railroads is the first requisite for a well-developed and advanced transportation system; that there should be cooperation of these systems with motor transport for short hauls and relief of railway terminals; that there should be wider use of the waterways and their better coor-dination with the railways; that the rate structure seriously demands reconstruction-are all of them areas of agreement but few would have expected these

diverse sections of the community to have found common ground. The studies now published are, therefore, of great informative value and point the way to many improvements in our transportation system. They are worthy of thorough consideration, and they mark a distinct step in progress.

The Marching Orders for Transportation

Conference Committee Findings Summarized by William Pickett Helm

ARLY in 1923 the chief railroads of the country, sensing the great business just ahead, took stock of their facilities, measured as best they could the mountain of freight they would be called on to move, and agreed that there was one way, and only one way, by which the job could be

"We've got to get together with the public. We've got to have a more sympathetic understanding of what the public expects, and the public must be better educated as to our problems and difficulties."

That was the only way out as the carriers saw it. Cooperation; real cooperation and not simply lipwork and resolutions; cooperation to the nth degree.

And get together with the public the carriers did. This is not the time or place to relate the details; a single citation tells results.

In seven months Class 1 railroads hauled an average of more than 1,000,000 loaded cars of freight weekly. Only five times before in the history of American railroading had the carriers touched the 1,000,000-car mark.

This result of cooperation, realized through forethought for tomorrow, came as a daz-zling revelation. Forethought for tomorrow that was the new thing, the big thing, the great adventure that had carried the adventurers nearer the rainbow's end.

And in a larger sense forethought for tomorrow is the mainspring of all the activities of the Transportation Conference whose scope of sympathetic and helpful endeavor has been outlined in previous issues of THE NATION'S

BUSINESS. Where the railroads but yesterday thought only of tomorrow, the Conference is thinking also of the day after tomorrow, of next week, of next month, next year, a decade hence. With clear and level eyes, its vision gropes the future, illuminating the obscurities with light from the lamp of expe-

For months past, specialists have sought out the facts. For months past, the six committees of the Conference have marshaled and reviewed those facts. A hundred or more leaders in the great fields of American endeavor, grouped into these committees, have sat down in common council to weigh the known facts, consider the probabilities and outline the needs of American enterprise.

Our Future Transportation Needs

AND, IN doing all this, to draw an accurate picture of our transportation requirements in the coming days during the span of the next ten years; to show our progressive needs, year by year, and to indicate how they may best be met.
What do the committees of the Transpor-

tation Conference see ahead?

To begin, they see ahead a period wherein new high records of transportation movement will rise, one after another, like great peaks in a mountain range, each loftier than the one before. That is the outstanding thing that first appears. The nation's business grows apace, its volume grows, its transportation facilities, too, must grow. Otherwise, American enterprise is to be cramped like the foot

of the Chinese maiden of old, bound and bandaged, dwarfed to her tiny shoe.

How great will be the growth?

The Conference's Committee on Governmental Relations to Transportation says the indications are that a decade hence our transportation system, which now is extending itself to handle present business, will be called on to handle increased business of about the following proportions:

Volume of freight, one-third more. Passenger traffic, one-fourth more.

With present facilities, it simply can't be done. More cars, more locomotives, more trackage, obviously, will be the prime needs of that day. How much more? The committee estimates:

Additional trackage, 38,350 miles. Additional locomotives, 13,200. Additional freight cars, 725,000 Additional passenger cars, 12,300.

All of which, it will be noted, are additional to present plant. Today's facilities must be maintained in fair repair and condition-in itself a task worthy any set of "best minds"— and the facilities set forth above must be added to them. And all of which, as everyone knows, will cost money.

Much money. Here is the committee's estimate as to how much:

Under the first heading, the committee has

placed all new facilities including locomotives, cars, tracks, buildings, bridges and other structures, additional ties laid in existing tracks, new air brakes for equipment not so

equipped now, and similar facilities.

Under the heading of improvements, the committee reckons the total cost of such necessary practices as the substitution of superior parts for inferior parts retired, strengthening of bridges by substitution of heavier members, etc.

The total runs almost to 40 per cent of the present estimated valuation of the entire railroad plant in the United States. But even this staggering sum does not represent the full capital investment which probably will be either required or deemed desirable. One reads in the committee's report that the \$7,872,977,000 will provide:

"... only for the additional facilities and equipment that will be needed to enable the railroads to handle the probable increase in

business.

"It will be necessary in addition to secure the funds required for the elimination of grade crossings, the installation of automatic brake control or other similar improvements which, while rendering the service safer and better, do not enable the railroads to handle increased traffic."

Where is the money coming from and how

should it be provided?

From Where Will the Money Come?

AS THE committee points out, there are two ways of supplying the new capital, one through government financing and the other through the investment of private capital.

The second way is altogether the better," the committee says, in effect. And the money, it adds, should come from the American people generally, from "individuals, savings

banks and insurance companies."

"In the public interest," the committee finds, "these investors should represent the American people generally and not a limited number of wealthy individuals and financially powerful institutions."

And then we hark back to the get-together

"Therefore," says the committee, "the immediate aim of railroad regulation should be the restoration and maintenance of public confidence in the railroads and other carriers as objects of widespread private investment.

"This confidence can follow only upon a wise legislative policy concerning transportation and the wise administration of regulatory laws by the federal and state commissions.

That is where the public gets on and gets off. If the public would be served as it should be served a decade hence, it must make it possible for the railroads and other transportation agencies to serve it. And the basis of such service is confidence.

How well, for instance, does the average business man consider himself served by a secretary in whom he lacks confidence? Think it out and apply the answer to the

transportation system.

"The interests involved," the committee continues, "are those of the shippers and passengers who use the railroads, of the investors who put their money into the business, and of the employes whose welfare depends in large measure upon the ability of the railroads to provide them fair wages and working conditions.'

Except for a few hundreds of the lame, the halt and the blind, that just about takes in all

That is about the way the situation shapes up from the physical aspect. With a minimum average annual investment of about \$787,000,000 the transportation machinery can be maintained in service-shape.

But there are other factors than the physical, other equations than financing, to be considered. How far would we go, for instance, if we invested in the carriers every dollar needed to bring them into prime condition and then smothered them under oppressive regulation; or taxed them to death; or fixed rates under which they could not live?

Not far, of course. Maybe we have been doing some of those things in the years pastthe committee doesn't touch upon that-maybe we've been trying to get up speed with the brakes on. If we have, that's that and to-morrow's another day. The big thing is not

to do it tomorrow.

Less Laws, Not More

A ND ONE of the ways not to do it is to ease up a bit on eternal legislation.

"Railroad regulation in the United States," the committee finds, "should follow the prin-ciple of protecting the public interest and preserving the advantages of competition under fair conditions, at the same time seeking to give a fair return to capital and fair wages

to employes.
"The existing federal statutes need not and ought not injuriously to restrict initiative or interfere with effective railroad management; the regulation under such statutes may at times limit too greatly the freedom of railroad management, but the remedy in such instances should be found in appeal to the administrative bodies charged with the enforcement of the statutes rather than in effort to have the statutes amended."

The italics are not the committee's, but ours. They would seem to indicate that last night was a good time to quit lawing against the railroads and that today and tomorrow might be devoted profitably to seeing how the present laws work out without plastering them once more with batches of amendments

and changes.

That, too, appears to be the committee's

feeling. In its report we read:

"Congress should be urged to make no change in any important provision of the Transportation Act until it has had a fair trial, which it has not yet had."

What about Labor? someone asks. Labor, it will be remembered, has been in the spotlight much of the time and near it all the time. And the Transportation Act has something very definite to say about Labor-the Railroad Labor Board, and so on.

The committee has heard that obvious

question and replies specifically:

"There should be no change in the labor provision of the Transportation Act unless some plan should be evolved which, in the public interest, should be recognized as clearly superior to the plan now in

Not Only the Railroads Approve

SUCH are the mature conclusions, not of the railroads' officials but of the sizeable group of representative business men, including some of the chief shippers of the country who have been studying our transportation outlook in the new get-together spirit They touch during the past few months. mainly upon the carriers' coming financial needs and governmental relations. But there are other phases of the transportation situation of tomorrow whose shadows already are within our vision. Consider, for instance, consolidation.

Would it be in the public interest for the

1,600 railroad companies throughout the country to consolidate into a relatively small number of competitive groups?

Should they be compelled to consolidate? What benefits, if any, would accrue? Under what circumstances should consoli-

dation be effected?

Railroads can be consolidated without injustice to the owners of either the strong or the weak roads and without injustice to the public if the roads are brought together on a fair basis of value and after due consideration of earning capacity, property values, and the special conditions surrounding individual properties," the Committee finds. But-

A fair opportunity should be given the carriers before Congress considers making railroad consolidation compulsory. Compulsory consolidation is such an intricate and involved proposition that it might hinder, rather

than promote, consolidations.'

Advantages to the public, the committee holds, that might be expected "from a further systematic grouping of the railroads are those which have, in large part, been obtained by many of the existing systems." These advantages include:

Development of more uniformly strong and

stable railroad systems.

Simplified and improved rate regulation. A measure of economy in construction, maintenance and operation.

Improved car service.

Preservation of competition.

The Public and Consolidation

THE COMMITTEE finds that the Transportation Act protects the public interest with respect to consolidation. Preferably, the proposed consolidated companies should be chartered by the Federal Government; but consolidation should not be made to wait upon the enactment of federal incorporation legislation, "either compulsory or permissive."

What about rates?

"Viewed as a whole, railroad rates in the United States are not unreasonably high, either as compared with pre-war rates in relation to general price levels or as compared with foreign rates," the Committee on Readjustment of Relative Freight Rate Schedules finds. "The present problem is one of a better adjustment of relative rates-not a general reduction of all rates."

There is no rule of thumb by which freight rates may be worked out, a condition of which the committee takes cognizance. The present rate structure manifestly has neither been organized on a scientific basis nor systematically

revised to eliminate disparities.

"The great economic changes incident to and resulting from the war have created additional disparities resulting from horizontal rate changes, from the dislocation of relative price levels and from increases in labor costs and terminal expenses which have borne with a greater weight on some classes of traffic than on others," the committee asserts.

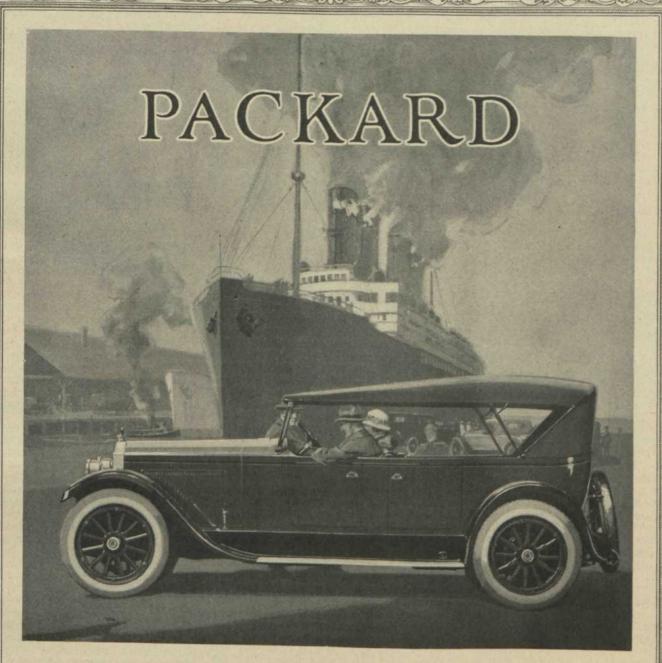
"This situation renders a readjustment of relative freight rates of great immediate im-

portance."

We find, for instance, that rates generally on less-than-carload freight and lightand-bulky traffic are such that the railroads get relatively low return on this business as compared with heavy loading articles. That, the committee believes, should be attended to.

Also, that the class rates are woefully off key. They betray a "complete lack of uniformity between classes, products or regions, except in certain limited areas." Another job for fixing.

And, again, certain commodity rates might



There is a deeper significance than at first appears in the general disposition to use the name Packard as a synonym for all that is fine in motor cars—especially to describe the quality range from the low to the high.

When people say, "from the to the Packard," as they constantly do, they simply express an unquestioning acceptance of the Packard as the highest possible standard.

Such tribute means more than anything we could say of the Packard; more than any mechanical description or detailed account of Packard manufacturing processes.

Everyone who owns a Packard is not only certain of having made the wisest possible motor car investment, but derives sub-consciously, a subtle satisfaction from the fact that his car is recognized and known as the final measure of motoring excellence and social distinction.

Shown above is the Seven-Passenger Single-Six Touring Car, Single-Six furnished in eleven popular body types, open and enclosed. Makers also of the famous Packard Straight-Eight.

When twriting to PACKARD MOTOR CAR COMPANY please mention the Nation's Business

properly be increased, if we are to iron out our uneven rate structure.

Aha! There's the joker! you say. Readjustment is another word for raising the rates!

Not at all. After conceding that a readjustment, as to class rates, would result in a 'measurable increase in total revenue,' the report adds:

Such proceeds should be applied to the reduction of commodity rates where needful."

Quite a distinction. A raise in rates is a raise in rates. A reduction is-well, a re-duction. And readjustment means another thing altogether, embracing, perhaps, a raise here and a reduction there, a changing; in reality, a readjustment.

Rates to Meet Competition

FURTHER, the railroads should be allowed to readjust their rates to meet the growing competition of low rates through the Panama Canal, the committee asserts, "but without unjust discrimination against the intermediate sections of the country."
A fascinating realm of study has been

opened recently by the advent of the motor truck. The Committee on Relation of Highways and Motor Transport to Other Transportation Agencies has gone into this phase of transportation possibilities painstakingly and exhaustively.

The first conclusion reached by the commit-

tee is that:

"The best interests of the public and the rail, water and motor carriers lie in cooperation between the various agencies of transportation rather than in wasteful competition.'

Also, quite general. How? When? Fine!

Where?

Here again, specific questions are answered. The opportunity for greatest cooperation between motor transport and other common carriers lies, the committee asserts, in the great cities of the country. For instance:

Deliver by motor truck to the store door in the great cities. Not only would that relieve congestion, but it would add a heavy percentage to the capacity of freight stations. a practice is regarded by the committee as undoubtedly the greatest contribution which can be made to the solution of the terminal

Even congestion in railroad yards can be relieved by organized motor transport which can with economy replace a considerable part of the intraterminal rail movement such as trap-car service, switching between local stations and short haul shipments within the terminal area. Fleets of motor trucks equipped with last-word facilities such as demountable bodies, trailers, containers, and mechanical handling appliances would serve, in the committee's opinion, admirably as an auxiliary to the railroads in congested districts.

Truck and Bus Auxiliary

OUTSIDE the great cities of the country motor trucks and buses should be used to supplement existing railroad facilities. Both motor truck and freight car have their field; the one for the long haul, the other for the short haul while between there are "intermediate zones in which competition is inevitable."

It is not only to the public interest but to the interest of the carriers as well, in the committee's opinion, that "the railroads be permitted to discontinue unprofitable service to which the motor is better suited, and that the motor abandon its efforts to handle general traffic over excessive distances. . . . profitable steam railroad service can be suc-

cessfully replaced by the use of self-propelled railroad motor cars."

The motor as a common carrier should be placed under proper public regulation, the committee asserts, and such regulation, of traffic, of size, weight, and speed of motor vehicles should be made uniform within the states and between the states.

If motor transport is to play its proper rôle in the great scheme of national transportation, the states should provide suitable and adequate trunk highways for the traffic.

A special subcommittee reports on the subject of taxes paid by transportation agencies and particularly on the share of these taxes paid by the motor vehicles and other agencies in the maintenance of the highway system. The report gives some figures of general interest.

Railroads, for instance, in 1921 paid \$277,-000,000 in taxes; and while doing this, expended \$756,000,000 on maintenance of way and structures.

Electric railways paid \$92,000,000 in taxes that year and expended \$101,000,000 on main-

tenance of way and structures.

Motor Taxes on Earnings

NOW AS to motor vehicles. While complete figures are not yet available as to the taxes paid by motor vehicle owners, these

facts are known:

They paid \$75,000,000 in personal property taxes; \$115,000,000 in special federal taxes; \$147,000,000 in special taxes applied directly to the public highways; and, in addition, large sums in municipal taxes, corporation, and business income taxes and other taxes on property required for the service of motor vehicles, including taxes on garages and other facilities for 13,000,000 motor vehicles.

Simplification of this varied taxing levy would seem desirable. The committee recommends simplification. Pertinent, too, is its

recommendation that:

"Taxes on regulated common carriers operated for hire should bear a definite relation to earnings rather than to invested capital."

A volume—yes, a whole library—is contained in those few words. The proposal, it would seem, would appeal to the common sense of any good business man; yet it involves complete readjustment of the present method of taxing our transportation system.

The committee considered also the relation of all transportation agencies to the highway building and maintenance program of he country. It delved into statistics and emerged with some interesting findings, among them being one as to the sources of money for the highway program of 1921, whose total cost is placed at \$1,071,662,031. Here is how the money was raised:

MARKET THE CONTRACTOR OF THE C	
Bonds	\$417,817,208
General state and local taxation	381,091,542
Miscellaneous	88,919,158
Gasoline tax and registration fees .	109,154,226
Federal and forest road aid	76,679,897

Total \$1,071,662,031

After analysis of these figures, showing that \$653,844,823 of the total was raised by taxation, the committee observes:

"Since the motor vehicle owner derives a special benefit from the improved highway, your committee believes that he should bear the entire expense of maintaining these roads in as good condition as when they were built, even where this involves resurfacing or reconstruction of the same type of road.

"In addition to a maintenance tax, highway transport common carriers should pay a tax in exchange for franchise rights comparable to

those which are owned by the other carriers."

And finally this recommendation:

'Coordination of highway construction and maintenance under centralized administrative agencies is urged to eliminate waste and secure efficiency.

No survey of the present or prospective transportation situation would be complete without reference to our inland waterways. Their possibilities for greater service have been measured by the Committee on Development of Waterways and Coordination of Rail and Water Service.
"Unquestionably," the report reads, "wa-

ter transport under certain conditions is cheaper and better than rail transport." Again:

Every Means Must Be Developed

WITH OUR transportation needs growing so rapidly it is of the utmost importance that every facility for cheap, safe, reliable and convenient transportation be de-

The committee's conclusions include:

"Through rail-and-water and water-and-rail routes and rates should be established when they are in the public interest and when under equitable division each transportation agency can make a fair return on its investment.

"Common-carrier rates on inland waterways should be normally lower than railroad

rates for similar services.

"The nation, states, municipalities and commercial organizations should seek to establish conditions favorable to the establishment and maintenance of services on inland waterways wherever such services are economically desirable and in the public interest.'

The committee believes that the Government's transportation services on the Mississippi and Warrior rivers should be operated "along the lines of good commercial practice," and recommends that Congress be urged to give the Secretary of War necessary funds and authority to effect such operation.

Without delaying the improvement of certain important waterways, it is recommended that "Congress be petitioned to authorize and direct the Corps of Engineers to consider the waterways of the country as a whole in their relation to other transportation agencies, and with all due promptness to recommend a definite development plan for future guidance in economic waterway development, the plan to include, among other things, such reasonable schedule of priorities in execution of projects as will, in fact, bring to completion in the shortest practicable time the most promising and useful projects, with a view to the creation of a unified, balanced national system of rail and water transportation."

Where Water Comes In

WATER transportation has three rôles: (a) Where it is cheaper, better or more convenient.

(b) Where water transportation is needed to eliminate danger of a shortage of rail transportation.

(c) Where no other form of transportation

In developing the maximum efficiency of the waterways in their three-fold capacity the committee holds that, "it should be the policy of the public, of legislation and of government regulation to require full coordination between rail and water carriers and, so far as practicable, to substitute friendly cooperation in place of hostile criticism."

So runs the story. In every quarter and from every angle, from financial needs to highway construction, the transportation of our tomorrow has been bared to the microscope. What shall we do with the picture?



PROMPTLY at 9.40 to-morrow morning a familiar green truck of the United States Post Office will back up to an imposing building in Scranton and take on a load of mail.

At 10.30 it will return and again at 11.30, and every hour throughout the working day, until at 5.30 it will have delivered 45,000 pieces of mail to the post office.

Included in this mail there will be thousands of instruction books and corrected lessons, personal letters of instruction, diplomas, and reports of progress telling employers of men and women in their organizations who have enrolled for courses of home study with the International Correspondence Schools.

And there will be 2200 letters that are simply "letters from a friend." Yet, of all the mail sent out each day from Scranton, it is doubtful if any letters are more important than these.

If you could follow them as they are sorted at the post office and sent out to every section of this country and abroad, you would see a panorama of courageous striving against the odds of circumstance that would

win your admiration and your respect.

Here, for instance, is a worker in a far-off construction camp, studying to gain the technical skill that will make him a civil engineer. Here is a sales manager of national reputation who is studying advertising so that he may make himself even more valuable to his firm.

Here is a husband and father in a modest home who studies with a textbook in one hand while he literally rocks the cradle with the other. Here is a president of a large company, a millionaire in fact, who is studying navigation so that he may secure a license and pilot his own yacht.

Here is a mechanic, barely home from the day's work, who has yet the courage to spend a few hours each night in preparing himself for bigger things. Here is an executive earning \$15,000 a year who is studying business management so that he may undertake still larger duties.

To all of these men, even to those in the most favorable circumstances, there are bound to come days when dark clouds gather when discouragements come—when it seems so easy and almost pleasant to give up—when they wonder if the education or special training they seek is really worth the struggle.

It is then that someone close to them at the International Correspondence Schools—someone trained by years of experience to know just what to say and how to say it sits down and sends them a helpful, cheery letter, giving them a new vision of hope, encouraging them to keep on, and clearing up the difficulties which seem to block the way.

When you consider that more than 2200 such letters are mailed every day, or more than 600,000 each year, you can appreciate the scope of their influence. Yet it is not possible to reckon, in dollars and cents, the value of such inspirational help.

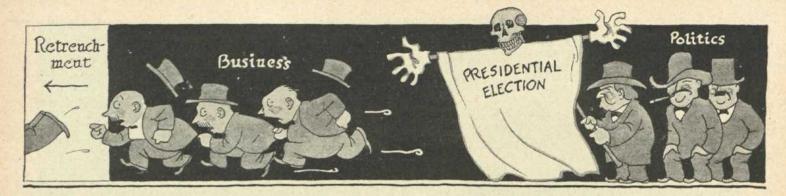
If these letters result in lifting only one man to success who might otherwise have given up, they have done their work well.

So to help ambitious men and women over the boulders and barriers is a fine and constructive thing. It is an important and definite part of the service of the International Correspondence Schools in helping men and women to help themselves.

INTERNATIONAL CORRESPONDENCE SCHOOLS

Scranton, Pennsylvania

Offices in leading cities of the United States and Canada, and throughout the world



Why Fear the "Presidential Year"?

directors' meeting when the question as to the policy for 1924 was discussed. One of the directors, himself prominent and successful, said: "I think we should be very conservative in our program for next year." asked him why and he replied:

"Well, 1924 is presidential year, and of course business will be bad."

"I know," I answered, "that many men take it for granted that a presidential year means poor business. This theory amounts almost to a settled conviction, but I am not willing to accept that theory merely because it is generally believed. Tell me, if you will, any fundamental economic reason why a presidential year should be different from any other year.

"Well," said he, "I have not attempted to analyze the matter. I have always heard that a presidential year meant bad business, and I have sort of taken it for granted and to a certain extent adjusted my business accordingly. Most people seem to think that business will be bad in presidential years, and I suppose most of us are influenced to some extent by that theory."

"Now you have hit the nail on the head,"

I replied.

Some time ago I had arrived at the conclusion that this psychology of presidential year was false and foolish. More recently I have had opportunity to study some facts, and they seem to support the theory that I had reached by analysis.

Buying Slump Light at Worst

THE MOST serious recent depression was early in 1921. It was estimated that there were five million people out of work. There are probably not less than twenty-five million people in this country who have regular em-ployment of one kind or another; so this worst period of business depression saw not more than 20 per cent of the people out of work, thus largely stripped of their buying power. It might be argued, then, that the difference between peak prosperity and this more serious depression was not more than 20 per cent.

By the same process of reasoning, it would seem that the difference between ordinary prosperity and ordinary depression is not

over 10 or 15 per cent.

The demands of the American people, even in periods of depression, are so enormous that they stagger the imagination. What we call prosperity would appear to be the ex-

LTHOUGH we have identified the author of this arti-A cle as a member of Congress from the Akron District of Ohio, we could just as well have said that he is a successful business man, a man that took an idea, built an organization, financed it and then went and sold it.

One of the younger members of Congress, beginning his third term, Mr. Martin L. Davey perhaps is better known as general manager of The Davey Tree Expert Company, Inc.

His father had great affection for trees and furthermore had knowledge of their ills and how to cure them. Young Davey took this idea and sold it nationally.

The important thing about it all is that he went right ahead through presidential years as if they did not exist. That's why we asked him to write this article.—The Editor.

By MARTIN L. DAVEY

tra 10 or 15 per cent demand above that of a period of depression.

Therefore, if the American people in a period of depression could by any sudden change in thinking be induced to buy 10 or 15 per cent more, we would forthwith enter a period of prosperity automatically. On the other hand, if the American people in a period of ordinary prosperity should begin to buy 10 or 15 per cent less, we would have a period of depression automatically.

I know a young man who in the year 1920 was planning to build a house the following spring. Some time during the winter I said to him, "Well, Jack, are you going to build

this spring?"

He replied, "No, I think I shall wait a while." I asked him why and to the while." I asked him why, and to this he replied, "Well, things don't look very good. Business seems to be in a bad way. Prices are going down, and nobody knows how much further down they will go. I think I shall wait until things are a little more settled."

Well, that young man built in the spring of 1923, just when everybody else was building, when prices had about reached the top. This faulty psychology seems to prevail with most of us, and is almost instinctive. buy on a rising market, and either sell or quit buying on a falling market.

There might be reasons why business would happen to be bad in a presidential year, but why should it be necessarily so? If I wish to build a house or make some repairs, why should I refrain from doing it simply because there is a presidential election next year?

My argument is simply this: nary demands of the American people are what we may call "normal." If the people

for the next twelve months could forget that a presidential election is coming, they would continue to satisfy their ordinary demands, which would mean normal business. If any considerable portion of the people become overconservative and are influenced by this false buga-boo of a presidential year, then the public demand will shrink 5 or 10 or 15 per cent, and thus become subnormal and we would have what we call depression.

Whenever there is a period of depression, it will be followed by a period of prosperity simply because during a period of depression the people as a whole buy less than they really want, and this creates a certain amount of

dammed-up demand. Just as soon as business opens up again, this accumulated demand lets loose and we have a period of abnormal activity. When that dammed-up demand has been satisfied, we

might naturally enter a period of normal conditions except for the fact that the majority of people seem to get the notion that

we are on the down-grade again. Then, just as naturally as day follows night, the people begin to buy less than they really want, and we enter a period that is subnormal-in other words, a period of depression. This, I think, accounts for the experience of the last year. The depression of 1921 automatically created a dammed-up demand. In the spring of 1922 the people gradually and cautiously began to let loose, and then things proceeded with rapidly increasing speed.

Present Condition Is Normal

NO ONE except a foolish optimist would expect that abnormal demand of last winter to continue. This dammed-up demand that began to assert itself a year ago was apparently satisfied last spring-production had overtaken demand-and then a lot of us began to look through dark glasses.

The fact appears to be that we are now in a condition that is or ought to be substan-tially normal, on the whole. It might well be approximately normal, so far as the general condition of the United States and the world will permit at this time, unless a majority of us get the foolish notion that business is bound to be bad in a presidential year.

Why should business be bad in 1924? Ask yourself these questions: Are we going to need any less? Will we probably buy any less for our individual requirements? Is

Next year make it your turning point!

OOKING BACK over 1923 probably recalls many occasions when adequate figures, if instantly available, would have helped you to make greater progress. Time and again you have realized the importance of better figure records.

Plan now to get all of the figures that you need every day during 1924.

No matter what your figure problem may be, Burroughs will provide an efficient way to give you figure reports on any phase of your business.

For forty years the Burroughs organization has been studying the needs of business men and developing equipment to handle all their figure problems.

Burroughs representatives are trained and developed to give you unusual service. Their expert advice costs you nothing. If daily figure reports of progress would help your business, let Burroughs co-operate with you in getting them.



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there any reason why we should need less or buy less simply because a President is to be elected?

It might happen that the business cycle would bring a period of depression in a presidential year on account of basic economic causes; but if it did occur in a presidential year, it would just happen to come then and not because there was any real reason for it in the fact that a President was to be elected.

What does the history of American business show? have before me a chart covering a period of fifty years and based on facts and not on theory.

Business was bad in the last half of 1920-yes, that was a presidential year — but busi-ness became worse and worse after the election and reached its lowest level about the middle of 1921. There was a very slow recovery from that time until the spring of 1922. Doesn't this seem, then, that it was not the election of 1920 that caused bad business, because conditions became worse after the election? That depression was due to underlying economic causes.

The year 1916 was also a presidential one. The chart shows that in that year business was between 10 and 20 per cent above normal. Why did we have prosperity in 1916? Simply because the demands of the war were so insistent and widespread that even a blind man could see it. Everybody forgot about the effect on business of a presidential year, and we prospered during that year because the economic conditions were right.

had an election in We 1912. In the preceding year business was a little below normal, but in 1912 business ran from 5 to 10 per cent above normal.

Go back then to 1908, which was also a presidential year. In the fall of 1907 we had, as most of us recall, bad times which continued until about the middle of 1908, when busi-

ness started on the upgrade again. started up several months before the election. There had been depression in the latter half of 1903, and then followed the election year of 1904, during which business was generally on the up-grade, although there was a

slight reaction about the middle of

It did not go back as far

It

as the depression of 1903, and it continued steadily and rapidly upward from the middle of 1904 for a period of about three years. In other words business in 1904 apparently ignored the election altogether.

Then we come to the presidential year of 1900. In the beginning of that year business was above normal. It continued steadily but moderately downward to about

more or less alarmed by the free silver campaign and this probably had some direct bearing upon the volume of business, because there was a slight upward tendency which followed immediately after the election of that year.

According to the chart, business had slumped to below normal by the fall of 1896. Although there was a slight upward tendency after the election of that year, business was still about 12 or 13 per cent below

normal by the middle of 1897. and continued below normal until the beginning of 1899.

We go back four years more and the chart shows the business of 1892, another presidential year, running about 10 per cent above normal, and it continued about 10 per cent above normal until the middle of 1893.

The year 1888 began a little below normal. By June of that year it was about 8 per cent below normal. From that point it moved steadily upward until it reached about 8 per cent above normal near the end of the year. In other words, the business movement seemed to ignore the presidential election completely.

In the year 1884 there is an interesting situation. Business had started downward the latter part of 1883. By the beginning of 1884 it was 10 per cent below normal, but it came back a little up until the middle of the year, and then con-tinued steadily downward until it reached nearly 20 per cent below normal by the middle of 1885. The downward trend of 1884 continued.

In 1880 business was approximately 10 per cent above It receded very slightly from this high point up to about the middle of the year, and went up slightly after the first of the following year, but the business of the year 1880 was all above normal and averaged about 10 per cent above

With the exception of the unprecedented year of 1920, there have been five presidential years since 1880 when business was above normal and

five presidential years when business was below normal. In all of these subnormal years except 1896 the business trend continued upward or downward right through the period of the election.

Business in the year 1924 may be below normal; but if so, it will not be because a President is to be elected. It might be a year of real prosperity, but not because it

The Factor That Really Counts

By GEORGE E. ROBERTS

Vice-President, National City Bank

HERE is nothing in the mere holding of a presidential election which should disturb business; the menace, if any, must lie in some threat of new governmental policies. In the old days about the only question between the political parties was that of a higher or lower customs tariff, and at the worst this did not directly affect more than an inconsiderable percentage of the business of the country.

Mr. Davey in his article mentions that the campaign of 1896 was especially disturbing because it involved the standard of value. Undoubtedly, the threat of free silver coinage caused a considerable amount of foreign capital to be withdrawn from the country and caused a great many people to restrict their business operations until the question was settled. After its settlement the country entered upon the most wonderful period of industrial development it had ever known.

The danger in a presidential election at this time is in the possibility that the radical ideas which are so rampant over the country may be in some serious degree embodied in legislation. There is the threat to repeal the Esch-Cummins Act, which was passed for the purpose of reestablishing confidence in railroad securities. Its repeal would seriously unsettle confidence not only in railroad securities but in the general business situation.

If the ideas touching taxation, the regulation of business and representing the antagonism to wealth and the private ownership of property, which are being vociferously expressed by numerous candidates for office, are to be really put into effect, we have very serious times ahead of us. The next election will be influential upon business just to the extent that business men fear a radical change of social policies.

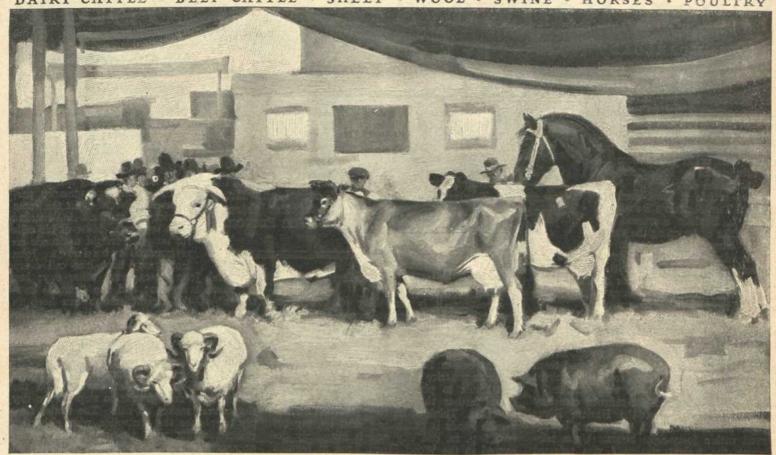
[Next month we shall print some straight-from-the-shoulder comment by business leaders on the subject of this article.-The Editor.]

> 5 per cent below normal the first of 1901, and then moved up to about 5 per cent above normal by the middle of that year. The trend of business in 1900 apparently proceeded without the slightest regard for the

election In 1896 the business interests of the country were



DAIRY CATTLE . BEEF CATTLE . SHEEP . WOOL . SWINE . HORSES . POULTRY



THE HOME OF THE PUREBRED

PLAINS where ranged vast herds of shaggy buffalo. Mountain valleys where the wild sheep grazed. Forest glades where deer found pasturage. Such—scarce more than a lifetime back—was the Pacific Northwest!

Rich pastures, clear streams and a kindly climate made this region ever a Land of Plenty for Nature's creatures.

Today the same natural advantages have made it a dairy land and livestock land supreme. Within a few short decades it has swept ahead to world preeminence.

Conditions, indeed almost ideal, favor the stockman and dairyman in the Pacific Northwest—climate, elevation, water, minerals and a wonderful abundance and variety of foods for all seasons of the year.

In the livestock industry these factors have contributed greatly to an exceptionally sturdy, high-producing stock and to a progress in purebred development that has made the region famous.

In dairying the same favorable conditions have put the industry on a plane second to none. The cows of this dairyland lead the world in average production.

It is significant that America's largest livestock show is now the Pacific International Livestock Exposition, held every year at Portland, Oreg., exhibiting the stock of Montana, Washington, Oregon, Idaho, Wyoming; also of several other states and British Columbia.

Opportunities for stock raising are many and varied. They include specialization in beef cattle on large ranges; the breeding of purebred stock; the raising of stock in connection with diversified farming. They are found in the raising of beef, sheep, swine, horses, poultry.

As for dairying-no other region in the

To the Pacific Northwest the Burlington-Great Northern-No

United States, it may be confidently stated, offers such rich opportunities. From Montana and Wyoming to the coast, the call and the opportunity is for more farmers to keep small herds, more farmers to specialize in dairying, more farmers to raise purebred stock.

Local and outside markets are growing. An effective, successful machinery for marketing, manufacture, and distribution is well established. Land of all kinds suitable for dairying and all kinds of stock raising—improved and unimproved, irrigated and unirrigated—is plentiful.

If you are engaged in, or wish to engage in, dairying or any type of stock raising, investigate the Pacific Northwest. Visit it if possible. Let us put you in touch with reliable sources of information.

Write for interesting book "The Land of Better Farms"

Address: P. S. Eustis, Passenger Traffic Manager, Chicago, Burlington & Quincy R. R., Chicago, Ill.; A. B. Smith, Passenger Traffic Manager, Northern Pacific Ry., St. Paul, Minn.; A. J. Dickinson, Passenger Traffic Manager, Great Northern Ry., St. Paul, Minn.

The PACIFIC NORTHWEST

The Chicago Burlington & Quincy R.R.

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The Great Northern Ry.

The Land of Opportunity



Where Railways Deliver to Store

LESS-THAN-CARLOAD''
freight, called by our British brothers "miscellaneous goods," forms but 5 per cent of the loadings by weight of the freight, accounts for 10 per cent of the freight revenue and about 25 per cent of the car loadings. But neither 5 nor 10 nor 25 per cent would begin to measure its importance as a factor in our transportation delay.

In an article in the November issue of THE NATION'S BUSINESS, W. J. L. Banham discussed the possibilities of lessening the waste in our transportation system by a wide adoption of a "store-doordelivery" system in our cities.

In this article I want to show how the storedoor-delivery system operates in England, where it is in almost universal use.

But first let me recite a personal experience to show what happens under our

My home is in New York City and, having purchased two beds in Baltimore, I had them properly crated and shipped to me by freight. Five days after the beds were shipped I received a notice from the railroad company that the beds were at the Harlem River freight station and that they must be removed within forty-eight hours. Upon telephoning the freight station I was referred to a reliable truckman, who agreed to deliver the beds at my house. This he eventually did, but not within the time limit of fortyeight hours, so I was forced to pay 50 cents for storage charges; and the cartage charge on the two crates of 130 pounds each was \$4. The freight charge from Baltimore to New York City, about 200 miles, was \$2.13; and the cartage from the freight depot to my house, about two and one-quarter miles,

"When I protested both the cartage and the storage charge, the driver of the motor truck invited me to go and see what a difficult job it was to collect freight at that station. After finding out the tonnage he moved per day, I am satisfied that if there was to be a fair profit for his company, the charge made was not excessive. This cartage company is an organized company that has been in the business for some time, but from what I learned then and since, the trouble is largely due to the general lack of system at such freight stations and in cartage methods, and this case is a typical example of the waste that prevails in this field of transport. The load efficiency of that cartage company's trucks including return loads was about 30

This is, I think, no exaggerated case. President Loree, of the Delaware & Hudson, has figured the average trip of a freight car at 15 days, of which only one-tenth is spent in road movement. To what extent terminal congestion due to our system of handling less-than-carload freight figures in that other nine-tenths, I do not know; but it is large.

Moreover, the delay between the arrival of goods at the terminal and their delivery at the consignee's door is a constant source of To haul goods 250 miles over night by rail and take the same amount of time or longer, and usually at greater cost, to transport those goods from the railway terminal to the merchant's store door two or By F. C. HORNER

Consulting Engineer, General Motors Corporation

"STORE-DOOR delivery." What is it? An extension of either end of the railroad by which goods are picked up from the shipper and turned over to the consignee, and all under railroad control. What advantages are claimed for it? Savings both in time and money. In England it's a matter of course and Mr. Horner tells here the results of his studies there. -THE EDITOR.

three miles away, is a sad reflection on our business sense.

Moreover, it is something of a blow to our pride in American efficiency to contrast conditions here and in Great Britain. bulk of the miscellaneous goods traffic on English railways is delivered to the consignees before 12 noon every day, and it is common practice to give 24-hour service for this traffic to places 200 miles distant and often farther than that on certain classes of traffic. Think of it: the "Bradford traffic" woolen goods is generally picked up, say be-fore 5 p. m. one day and is invariably delivered in the Wood Street Zone in London by 9.30 the following morning. And Bradford is 230 miles from London!

This is no special performance. The English merchant expects this sort of service, and trouble and complaints quickly follow if he does not get it.

Quick Collections; Quick Deliveries

WHAT makes it possible? The fact that the railroad runs both the collection and the delivery of goods. English railway men are a unit in saying that if they followed a haphazard system by which shippers brought their own package freight to the railroad and consignces or their agents called for it at the other end, they would have such a tangle and such delay as we have here.

The English railroads have worked on their systems of delivery and collection with great care. As each car of miscellaneous goods arrives, a checker marks the invoice of that car to show whether goods are to wait order or be delivered, and if the latter, in what street and in what postal area. The checker then directs the men who handle the "barrows" or trucks, and they trundle the goods to berths, where they are sorted for the vans.

Then vans are loaded with two objects in view: to minimize damage by skillful stowing away, and so to place the goods that they can be delivered by the shortest route and with the least overhauling.

The loaded van is ready for the carman, who has usually the same horses and the same district day after day, but not the same van. His district may be larger and smaller, depending largely of course on the nature of population and business. The amount of collection figures, for usually the carman delivers in the morning and picks up freight in the afternoon in the same district. His deliveries are almost always made before

The collection system just about reverses

that for delivery and adds this factor in hastening deliveries: that goods, being collected by the railroads' own carters and under the roads' own supervision at all times, can be much more readily allocated by cars, so that all package shipments for one point may be put in the same car with the

least possible confusion. The "district carman" who delivers in the morning and collects in the afternoon ordinarily performs both services in the same district or at least in districts close together. Most of his calls for outgoing freight are made on prearranged schedules. John Smith may have him call every

day, and John Jones every other day; but his route is known; and the "cartage con-troller" at the freight station can keep in touch with him, so that an unlisted call may be sandwiched in between regular calls.

One example will serve to illustrate this point clearly. Suppose the district carman in a certain area has orders to make a collection stop at a certain trader's premises every other day and for some reason the trader has a consignment to ship on the day the carman makes no call. The trader simply telephones the controller, who, either by communicating with the proper call office or another trader on whom he is scheduled to call next that day, gets into touch with the carman. The result is that the carman is notified of the special call to be made and takes care of it, thereby giving prompt service to the trader at little or no extra cost to the railway. A case like this, without a proper control system, would mean either a special trip for a van or putting the trader off until the next day; and if the traffic were competitive with another railway, the latter plan might cause the railway not only to lose the consignment in question, but also to lose all of that trader's business in the future.

I have said that in a case in which I investigated a shipment of my own, the load efficiency of the company's track including return loads was only about 30 per cent. By the system on the Midland railway of England, where I have watched it most closely, a load efficiency of between 60 and 75 per cent is obtained. This is by far the best record I know of in this class of service.

There are two things which we think of in connection with equipment—the use of motor trucks as compared with horses, and the employment of unit containers. Our British friends are reckoned slow to change, and this has been true of the motor truck, but the change is fast being made.

As an instance of what has happened in this matter abroad, according to J. H. Brodie, city engineer at Liverpool, England, in 1919, along the line of docks horse-drawn vehicles handled 98.4 per cent of the tonnage and mechanically propelled vehicles handled 1.6 per cent. In March, 1922, horse-drawn vehicles handled 52.4 per cent and the mechanically propelled vehicles 47.6 per cent. I assure you that an Englishman is hard to change, so you may rest assured this Liverpool change is entirely warranted by the facts and figures. Moreover, the English horses are wonderfully strong, and 12 to 13 tons is a common load for two horses on the Liver-

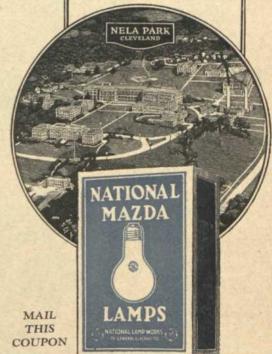


After increasing the lighting of inspection tables in its Columbus plant to four times the former level with MAZDA C lamps, The Timken Roller Bearing Company found: (1) Increase of 12½% in speed of inspection. (2) Saving of \$1.44 per hour in group of 44 workers. (3) Increase in cost of current and lamp renewals, (for group) only 28 cents per hour. Net result—increase of 12½% in production at cost of less than

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Name.
Street and Number
City and State

Price Fixing Won't Fix the Farmer

N THE last seven years, the Federal Land Bank of St. Paul has loaned \$100,000,000 to the farmers of the Northwest for the purpose of settling the land, diversifying agriculture, and helping the man on the farm over rocky

It has been the task of E. G. Quamme, president of this bank, to see to it that this money has been loaned judiciously. The Federal Land Bank is no charitable institution. It expects its money back, with interest.

In the seven years of its existence, seven farmers in Michigan, Wisconsin, and Minnesota have failed to meet their obligations and the bank has had to foreclose on their farms.

In the same time, 70 farmers have failed in their obligations to the bank in North Dakota.

Bankers in the Northwest will tell you that this is the most remarkable record in the financial history of this district. One hundred million dollars has been lent out. The losses in thousands can be counted on the fingers of two hands.

Mr. Quamme has studied agriculture in the Northwest since childhood. He was brought up on a Minnesota farm. He knows thousands of farmers in all parts of the Northwest. come into his office in St. Paul and lean on his desk and tell him their troubles. He goes out with them and tours the country. He knows about every foot of the land, what is being grown on it, what should be grown on it, and why this farmer or that is making or losing money. I went to Mr. Quamme,

therefore, for his viewpoint on agricultural conditions in the Northwest, where discontent has been causing

political upheavals. In a nutshell, this is

1. The one-crop farmer does not need more credit. He has had, in many cases, too much credit already. He must work and

2. The farmer who has diversified his crops is making money today and if he needs money to expand can walk into any bank and get credit.

3. Government price-fixing and purchase of wheat would not solve the wheat farm-er's problem. It would lead to doubling the wheat acreage and aggravating of the situation.

4. The Government can help by modifying the immigration laws to provide worthy immigrants who would come to this country



President, the Federal Land Bank of St. Paul

By ALEXANDER F. JONES

and settle the land, build homes, create wealth and solve a serious labor problem. 5. The Government can help by modify-

ing the Fordney-McCumber tariff law.

6. The cost of transportation must be adjusted.

"Much has been said about giving the farmer more credit," he said. "Much has been said recently about giving the farmer a price fixed for his crop by the Government and about Government purchase of his wheat.

The farmer needs neither of these things. The one-crop farmer who rode to disaster on the high tide of 1920 prices has, in a distressingly large number of cases, borrowed to the limit, and even beyond the amount of his security. He cannot get credit. It is

he who is the farmer that, in the high-price years, thought he would always get \$2 for his wheat. He spent his money like water. He speculated in inflated land. He purchased unnecessary farm equipment. He bought oil stocks. He forgot how to work and employed labor at \$5 and

\$6 per day.
"Today he gets \$1.00 for his wheat. When he went into debt one bushel covered a \$2 purchase. Today he is paying back that debt with two bushels.

"Now some persons are asking legislation for fixed prices for his wheat. That would not solve the problem. It would probably help for one year. The next year the wheat acreage would be doubled and we would have the same problem in aggravated form.

"This man is the onecrop farmer.

"But let us consider the smart farmer. He is not bankrupt today. Far from it. He is making some money. Two men came into my office from the same township within three days of each other recently who illustrate the point.

"I knew the first man well. He was a wheat farmer and a good one. He had a story that could be duplicated in hundreds of instances this year. He

said he was broke, ruined.
"Things never looked better for me than early this summer,' he said. 'I took mighty good care of my land before seeding. I put in the best seed I could get. The stand was fine. It

was as high as my head and as even as though it had been clipped. I figured 40 bushels to the acre. Black rust came along and the whole crop was gone.

"The other man came a few days later. I knew he was from the same neighborhood as this other farmer.

Well, Pete, I suppose things are bad this year.' I said.

"To my surprise, he grinned broadly. "Oh, no, I am making a little money this year,' he said.

"'Didn't the rust get you?' I asked.
"'Yes,' he replied. 'But I didn't have much wheat. I haven't got confidence in it any more. I put in 40 acres in corn and it is the finest corn I ever had. Runs about 50 bushels to the acre. I kept a bunch of cows this summer and the dairy checks are running about \$75 to \$100 a month. I am feeding my wheat to the hogs. I have about 40 hogs to sell this year and that will run into \$700 or \$800. I made 20 acres of pretty fair flax and it is selling for \$2. And I went in pretty strong for poultry and have about

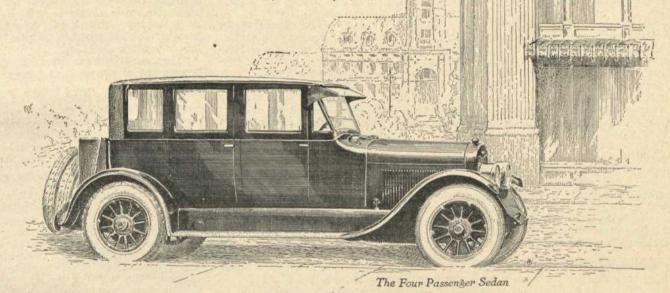
WHERE FINE CARS CONGREGATE

With the advent of each new autumn season, the supremacy of Lincoln closed cars becomes more pronounced.

It is not alone that the number of these cars is noticeably increasing. As a matter of fact, the attainment of large production records has not entered into the plans for them.

But the type of service for which they are employed in increasing volume is conclusive proof of their preferred standing in the public esteem. Fair examination reveals that it is the people whose approval is most significant who are lending impetus to the use of Lincoln closed cars for personal transportation.

LINCOLN MOTOR COMPANY DIVISION OF FORD MOTOR COMPANY, DETROIT, MICH.



LINCOLN



300 turkeys. My eggs and chickens this year have more than paid my house expense and I got such good credit at the store I had the hired man buy his suit there and charge it to my account to get even. I also raised some beef cattle, and prices on that are pretty good.

"Then I had 20 acres of good oats and you know I put the pasture in sweet clover two years ago. Well, this year I put it in clover and alfalfa and I declare I have had to hay so much this summer I am sick of it. Oh, I can't kick this year. And I'm not in here for money. I just came in to

say hello!'
"There is one of the big problems of northwest farming in brief. Diversified farming.
"I have two rules for making loans in western North Dakota: First, I won't lend a cent to a farmer who does not own and operate his own farm; and, second, I will

not loan to a farmer who does not operate

on a diversified basis.

"North Dakota is a wheat state. We have taken 70 farms there in the last seven years; most of them in the last three years. In Michigan, Wisconsin, and Minnesota, where farming is highly diversified, we have foreclosed on but seven farms in the same

Speculating Farmer Deserves Plight

"TOO MUCH is said about the plight of the wheat farmer. It is time for him to understand plainly that he is not a good farmer, but a speculator. North Dakota can raise good corn. And good hogs, too. North Dakota does not have to raise wheat alone.

"In Minnesota this year, we raised but 14,000,000 bushels of spring-wheat. The egg production was worth twice as much as the

wheat crop will sell for.

"Wisconsin alone produced \$400,000,000 in live-stock products last year. Minnesota pro-

duced 200,000,000 pounds of butter.

"That does not look like bankruptcy to me. These states are the dairy paradise of the world. Denmark cannot produce butter and cheese as we can. Yet we import butter and cheese. And the United States is no longer a live-stock exporter. We will import millions of pounds of beef this year.

"So we have a market right here at home. We needn't worry about the foreign market.

Fiddler Must Be Paid

"FOR THE one-crop farmer who went into debt in the halcyon war years, there is but one solution. That is to dig in and pay his debts. It may take a long time. He may have to put his whole family to work in his fields. It will be a tedious job. But it is a job that has got to be done.

"No legislative legerdemain will solve his problem for him. Legislation cannot create

'Neither will excessive credit solve the problem. Some farmers have had too much

"So we who have studied the agricultural situation do not ask the Government to purchase our products or to fix minimum prices

or to grant a subsidy or bonus.

"We do believe, however, that there are some things that the Government can do which will give us permanent relief and will benefit not only agriculture, but the country

at large.

"First, we believe that the immigration laws should be modified so that every good and worthy immigrant may come to this country who desires to do so and who can quality as a good citizen. Certain restrictions should be provided, of course. But there is a labor shortage in every line of industry at this time and this shortage is particularly

felt in the agricultural industry.

"Our farming operations have been built up in the Middle West in the past fifty years on the basis of known cost for labor and transportation. Our labor cost has been a reasonable charge. At the present time the labor expense is an unreasonable charge and one that farmers cannot stand.

Immigrants Usually Do Well

"THE IMMIGRANT coming from northern Europe to this region has a natural instinct for agriculture. His desire and aim in life is to own a farm home. Such immigrants work a few years on our farms as laborers, saving their earnings, and then purchase a farm home. They do not flock to the cities to aggravate an already artificial and unbalanced situation. They want to farm for the purpose of having a home. They make the best farmers that we have in our land.

"It has been estimated recently that if present immigration restrictions were modified, at least 5,000,000 people from northern Europe would come to this country immediately, from such countries as Germany, Austria, Bavaria, Belgium, Holland, and the Scandinavian countries. Think of what that would mean to this country. Most of these people would be able to finance themselves to come here. Many of them would be able to purchase land immediately and others within a few years.

"Five million of these sturdy people, upstanding, plain, and honest, would create five billions of dollars in wealth in five years. It would change the whole situation for us here in the Northwest. There would be a real de-mand for land again. Land values would be stabilized and farming land as an investment would be appreciated once more. Industry would also benefit, for we would have the monopoly of feeding and furnishing and supplying the needs of these people.

"We therefore ask no less than that the Government modify our immigration restrictions immediately in order to invite and encourage this immigration and give these people the opportunity they are asking.

"It would also help, as I have said, the labor problem in our country, which is today tending in a direction that causes inflation of values and exorbitant costs in everything, that eventually, if not stopped, will ride this country is surplus-producing and the values

Second, we ask our Government to modify the recent tariff law. Agriculture is not protected by the tariff, for agriculture in this country is surplus-producing and the values of its products are determined by the world market. Agriculture at the present time is selling its products in the open markets of the world in competition with every land and buying its products in the restricted American market. This is equivalent to reducing the income of the farmers by half.

Export Market Prime Factor

"THE GOVERNMENT says to the farmer that it cannot do anything for him in the way of stabilizing prices for his products or in giving him a better return for his labor and operations. The farmer replies: 'Very well, if that is the case, then we will sell our products in the open markets of the world and get what we can for them but in turn we also ask that we be permitted to purchase in the open markets of the world.'
"The farmers of the Middle West and

Northwest say that they can live in this section of the country and produce such crops as they have in the past, selling their products

for the prices determined by the markets of the world, provided they are permitted to purchase their goods and all of the things they need at the prices that are determined by the open markets of the world."

Mr. Quamme whirled in his chair and ham-

mered on his desk.

"What is the thirty-cent tariff on Canadian wheat doing to us here in the northwest?" he demanded. "It is causing western Canadian wheat to be shipped east instead of to Minneapolis where the best flour mills in the world are; where the shorts and middlings and bran could be sent back to the farmers for feed for dairying. And that is all it is doing. It is diverting wheat from its natural market.

"What would be to the advantage of the farmers of the Northwest would be absolutely free trade with all the world," he went on. "Unless the tariff law is reduced and this artificial barrier is so modified as to permit us, who live in this great central territory, to live under reasonably satisfactory conditions, then our duty is clear and plain; to demand nothing less than absolutely free

Carrier Costs Compel Adjustment

MY THIRD point is that our agricultural industry in this section was built upon known costs, one of the principal factors being that of transportation. Within the past few years, transportation costs have been increased to the extent that the margin of profit enjoyed by agriculture has been largely wiped out. The farmer only makes progress from his margin. When he has no margin he can clear no more land, he cannot break up and cultivate new acres, he cannot erect new buildings or acquire live stock. He cannot pay his

"The principal study that we have to make with respect to agriculture in these days is operating costs-in other words the cost of production, with relation to gross income, so as to determine this elusive thing known as 'margin,' to find whether there is to be a loss or profit in operation.

"The cost of transportation has, therefore, become one of our principal factors in all of

our calculations.

"Remember this: that we live in the interior of the continent, and that we are surplus producers. At no time in the history of the world have people lived in the interior of a continent and enjoyed so high a standard of living as we have been able to do.

Transportation Enters Largely

"THIS has been possible only through our great railroad systems that made it possible to transport our goods to the seaboard at a low cost. Now that these transportation charges have been doubled and trebled, this advantage has been taken away from us. The economic life of the people will be changed if this condition persists.

"Therefore, we must ask a solution of this

important question.

'Happily for us nature has provided us with a most satisfactory solution. By the building of a canal and a few locks in the St. Lawrence River and on the Great Lakes, it will be possible, as it were, to bring the ocean to the interior of this great continent and permit the largest vessels to dock at our inland ports. Nothing is more important in America today than this project. We must ask the Government, therefore, that there shall be no halting, no delay, no equivocation, but that steps be taken immediately in the direction of a full and complete consummation of this wonderful enterprise.'



"GMC TRUCKS ARE SEVEN STEPS AHEAD"

GMC Builds Business for Users

General Motors Truck Company of Canada, Limited, Oshawa, Ontario

There is definite reason for the marked success of truck users who operate the Model K 16 one-ton truck.

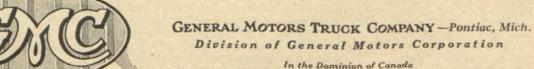
More hours of continuous and uninterrupted hauling are produced by this sturdy one-ton chassis because of the surplus strength built into every part. Consequently its earning capacity is considerably greater.

Less time is needed to renew its wearing parts because every point of wear has a bearing or bushing that is quickly and easily replaceable. Here is another economy that spells profits to a hauler. And besides, Model K 16 one-ton truck is a complete motor truck, built of truck units only and fitted with refinements found usually only in high grade passenger cars.

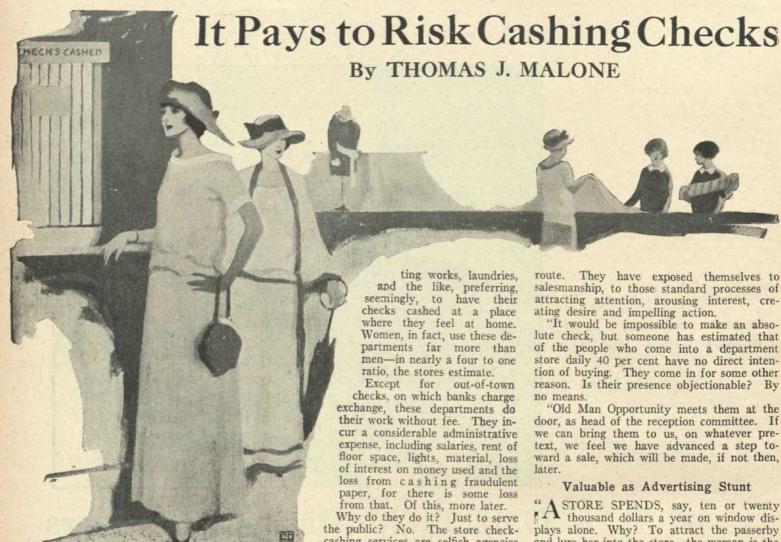
The Model K 16 is now sold complete, ready for use in the following combinations of body and cab:

Open Express Body with Open Cab; Open Express Body with Closed Cab; Express Body with Six Post Top and Open Cab; Express Body with Six Post Top and Closed Cab; Platform Body with Stake Sides and Open Cab; Platform Body with Stake Sides and Closed Cab.

Send for Catalog describing Body Styles



General Motors Trucks



ting works, laundries, and the like, preferring, seemingly, to have their checks cashed at a place where they feel at home. Women, in fact, use these departments far more than men-in nearly a four to one ratio, the stores estimate. Except for out-of-town

checks, on which banks charge exchange, these departments do their work without fee. They incur a considerable administrative expense, including salaries, rent of floor space, lights, material, loss of interest on money used and the loss from cashing fraudulent

paper, for there is some loss from that. Of this, more later. Why do they do it? Just to serve the public? No. The store check-cashing services are selfish agencies conceived and operated to increase profits. But how so?

Let the experienced head of such a cashing service in a large department store in Minneapolis do the explaining. Introducing Mr. Sawyer!

Fourteen years with this service have not soured Mr. Sawyer nor made him a bear on humankind. He likes his job despite the tension under which he regularly works, and has learned some of the old truths about human nature from the peculiar facets presented to him.

Leads to Purchases on Spot

"WHY DO WE do it?" he repeats. "That's easy-to get people to come into the store, in the hope that they will spend some of their money with us. That's all there's to it.

'Oh, of course, involved in the practice is the fact that we want to please our customers by serving them in many ways in addition to selling satisfactory goods. And cashing checks is a real service, judging from the number that bring their checks to us to be cashed.

"There is no string on our check cashing, no requirement or understanding that the

payee shall buy something in the store.
"But we feel that it works out this way: The cashing service attracts persons to the store. It brings them inside. They may not have any intention of buying a thing. But they do come in, and they receive for their checks currency—bills, coin.

"On their way to the check-cashing department, which is never situated near an entrance, they have had to pass various goods on display. In going out they must do the same thing, probably choosing a different route. They have exposed themselves to salesmanship, to those standard processes of attracting attention, arousing interest, cre-

ating desire and impelling action.
"It would be impossible to make an absolute check, but someone has estimated that of the people who come into a department store daily 40 per cent have no direct intention of buying. They come in for some other reason. Is their presence objectionable? By

no means.
"Old Man Opportunity meets them at the door, as head of the reception committee. If we can bring them to us, on whatever pretext, we feel we have advanced a step to-ward a sale, which will be made, if not then,

Valuable as Advertising Stunt

"A STORE SPENDS, say, ten or twenty thousand dollars a year on window displays alone. Why? To attract the passerby and lure her into the store—the woman is the shopper for the home-with the hope of selling her its goods. Can anyone gauge the effectiveness of window displays for a year in terms of sales made, of volume of business done or gained? Yet progressive stores make more and more of their window displays, you will notice. So, too, with newspaper and bill-

board space, electric signs, personal letters.
"There's no doubt that the check-cashing service brings people into the store. We believe results more than justify it. While the volume of checks cashed yearly by our department has grown from a few thousand dollars to ten million, the volume of busi-ness, sales, in the store has increased at such a rate that the connection seems certain. We wouldn't keep up the department and enlarge it from time to time unless it was profitable.

"First, there's this difference between us and a bank. A bank gets nothing for cashing checks, has no such chance to profit by it as we have—for it has no goods on display, nothing to sell on the moment. Cashing a check is, to it, largely time wasted.

Sustained as Sound Policy

A BANK PRESIDENT in passing one morning stopped near my window and watched proceedings. It must have looked quite automatic and machinelike to him as the line moved forward, pushed in its slips of paper and turned back with currency, delayed only now and then by a word from me as to address of the presenter or some such inquiry.

"Yet he needn't have inferred that we do this unthinkingly, and I don't think he did infer it. You see it becomes second nature to us to tell whether a check is good or not, or its presenter. There's a 'feel' about it

N SOME of the largest cities of America the man or the woman with a good check and no bank acquaintances can probably get that check cashed promptly with no more requirement than the giving of street address or telephone number. The basis of service, nine times out of ten, will be a department

In certain cities-notably Minneapolis, Detroit, Omaha-the practice among large department stores has been made an aggressive store policy that takes in the general public, customers and non-customers. rate check-cashing departments are maintained by some stores, partitioned-off enclosures with standard cashiers' windows, which often bear placards directing attention to the fact

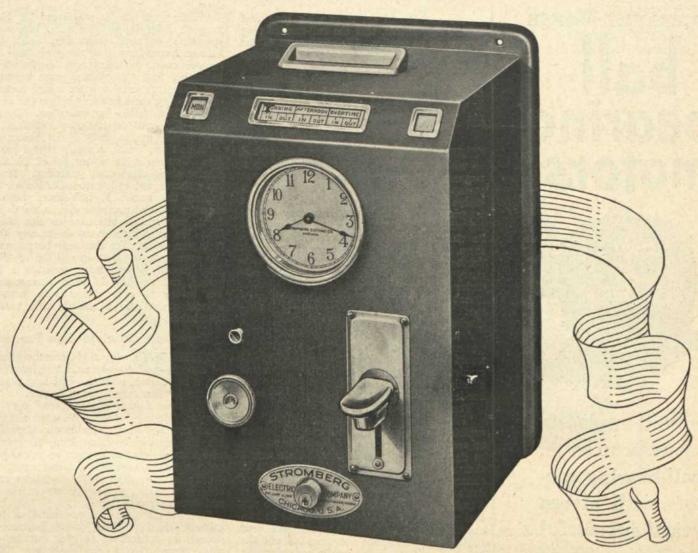
that checks will be cashed there.

Are they used? There are groups or lines in front of every window in nearly every hour of the day. Thousands of checks are cashed at these windows daily in each store.

Of the stores in Minneapolis operating check-cashing departments, several report each a total of checks cashed of from \$8,000,-000 to \$10,000,000 a year. Checks cashed range in size from fifty cents to three figures.

Stores that Cash for Everybody

EVERYBODY makes use of the service—those with personal check accounts who find it more convenient to go to the stores and those without accounts, but who, for the most part, are salaried persons who get paid by check. Payrolls of many large institu-tions are regularly cared for by these store departments, girl employes in hotels, knit-



Announcing:

The Latest Development In Time Recorders!

The New Stromberg Fully-Automatic In-and-Out Recorder.
Prints in one or two colors.

A TRULY remarkable New Time Recorder has been developed. It has literally set the business world wild with enthusiasm. Wherever we have shown it, it has created a sensation. It is truly the "last word" in Time Recorders. It does anything that all other Recorders combined will do—plus!

In the New Stromberg Recorder is embodied every feature that present-day conditions demand. Everything that our fifteen years' experience has taught us—every-

thing that users ever wanted—every known improvement it is possible to make—all has been skillfully put into it. It is highly endorsed and used by many of the greatest concerns throughout the country.

Get the Facts.

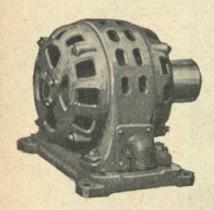
Find out all about this remarkable New Recorder and the many surprising things it will do for you. Descriptive matter gladly sent on request. Write for it now.

STROMBERG ELECTRIC COMPANY, 232 West Erie Street, Chicago, Ill.

The Largest Exclusive Manufacturers of Electrically-Operated Time Systems in the World. Sales and Service Departments in All Principal Cities.

FAIRBANKS-MORSE

ball motors



-built by pioneer manufacturers of ball-bearing motors, with eleven years' successful experience. These more efficient motors lessen friction losses-reduce current consumption—lower production costs

FAIRBANKS, MORSE & CO. CHICAGO. Proneer Manufacturers

bearing motors

that one can't explain, but that one acquires

"No one should get it into his head that we are easy marks, that the evil-minded may impose on us readily. We catch most of the attempts to defraud us; our batting average is pretty high."

Stand to one side and watch Mr. Sawyer at work. There are a score of persons in line, each holding a check, while several others are writing checks at the ledges provided.

Regulations for Protection

THE FIRST three or four checks are cashed without a word. The next check brings a request, "Your address, please?" It is given promptly. He pencils it on the back, then cashes the check. Some persons persist in ignoring the placard posted plainly before the window stating, "Name and address must be on all checks before cashing." The address, if correct, enables a trace if the check proves worthless. Also, if given without hesitancy on request, an address is taken as evidence of identity and good faith.

Another placard is posted where all may

see: "Identification required before cashing checks." This is a warning to the evil.

A handsome woman is at the window. She

presents a check with a calm certitude that would win instant cashing if you were the cashier. But you are not. Apparently some questions are being asked her. Soon you see her leave the window, still holding the check.

You ask Sawyer about it later.

"Her check was probably all right," he explains, "and she, too; but the check was on an out-of-town bank and she gave her address as one of the big hotels here. That meant that she was a transient. I may take a chance now and then on a local check, but I don't on country ones. We might have cashed a bad check there and never been able to run that woman down. I asked her if she had an account in the store, which would have been sufficient identification; and when she said she hadn't, I told her if she would have someone identify her, I'd be glad to cash it. Maybe

Service for Home Folks

"PRIMARILY this service is conducted for local people, our home folks, and not for transients. We do not care to encourage them to bring their checks to us.

"Did you see me turn down that young fellow with the shifty eyes? No? Well, he presented a check for \$15, an individual, not a firm check, drawn payable to P. E. Crouse and so indorsed. He said he was Crouse. We develop a sense for handwriting in this business, and I thought the 'P. E. Crouse' on the face of the check looked to be in the same hand as the 'P. E. Crouse' on the back. After folding the check-in a quarter twist as belting men would say-and comparing, I told him he'd better have it cashed at a bank. He made no comment but took his check and left-a little hurriedly, I thought.

"An hour ago I refused to cash that purported to be a cashier's check issued by a country bank. It looked all right as to stamp and signature, but it was not perforated. told the holder to go to a bank with it.

"You might watch the line for hours before the case came along that we behind the windows are always looking for. I mean a check drawn by some person or firm that has been reported as having 'not sufficient funds.

"Here in Minneapolis several score 'N. S. F.' checks on various banks may be recorded daily. The names of makers of such checks, sometimes upwards of one hundred, are listed in the daily reports of the retail credit buWe get these reports-have to have

"While some checks are issued 'N. S. F." in good faith by persons who, because of ignorance or poor accounting, think their balance larger than it is, many of them may be put down to intent and foreknowledge, indicating that the makers were trying to 'put something over' or were taking a chance of increasing their balances before the checks reached their banks for collection. Thus an 'N. S. F.,' until satisfactorily explained, always reflects on the credit of the maker.

"Here's the credit bureau's report for to-You see it has a long list of 'N. S. F.' check-makers discovered yesterday. It also has a shorter list culled from the longer, containing the names it had listed before-chronics. I, and everyone else in my department, pay special attention to this shorter list. We must be able to detect any check from one on this list that may be presented. We even have our own special list of 'N. S. F.'s,' passed in our store, covering a long period, and we must be letter perfect on it. We refuse to cash checks with unsavory antecedents unless the makers have reestab-lished their credit."

Experience Develops Safe Practice

SEEMINGLY a very slight corroboration is Denough—a street address, a telephone number, a bank book, a letter. Yet long practice

has taught what may be taken as safe.

"We have a good record there," says Mr.
Sawyer, "on the whole. We cash a forged check now and then, probably one a monthit's the ten-twenty-thirty kind of operator who tries us, the larger ones go elsewhere—but we refuse checks we suspect and thus avoid a lot of trouble. Also, we catch a crook once in a while, proving we are on the job and livening up the monotony.

"Within the year a man offered us some railroad checks. The credit bureau had warned its subscribers to look out for certain railroad payroll checks-stolen. These

bore the numbers given.

"I stepped on a buzzer that signals the house detectives. Two floor men came up and stood behind our man. I had them take him into a private room while I telephoned

for the police.

"When I turned from the 'phone, I saw our man out in front of my cage, headed for the street. He had pulled a gun on the two and left them. I chased him, and he drew the gun again, backed out of the store before a fair-sized crowd seeing the show and beat it down an alley. The police caught him, and he's now in the state reformatory.

Loss One-Fiftieth of One Per Cent

THE CREDIT manager of another store in Minneapolis talked definite losses.

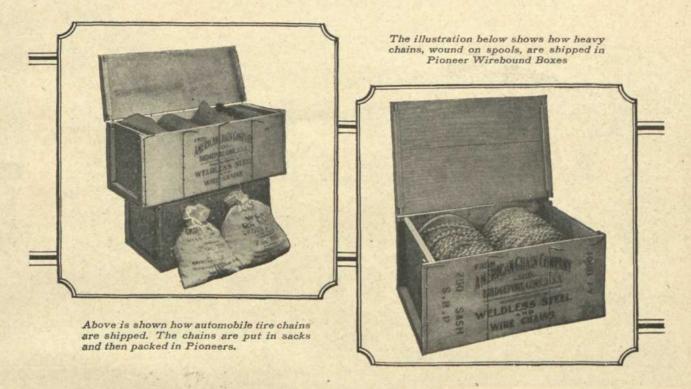
"Our last year's volume of checks cashed by our special department was about \$10,-000,000," he said, "and our actual losses from bad checks, \$2,000. This means one-fiftieth of 1 per cent.

"At a recent national conference of retail credit men held in the East, a representative of a large eastern store stated, with some pride, that, due to a rigid policy as to cashing checks, his store had lost on only one check

in a year.

"I couldn't see his point. If his store had served the public by a more generous policy as to check-cashing, it might have increased its sales that year by a half-million dollars or more, the profit on which would have made the losses on bad checks almost inconsequential. In the light of our experience, his was a case of 'penny wise, pound foolish.'

Heavy Chains Shipped Safely in Pioneer Boxes



TWELVE YEARS AGO the American Chain Company, after making thorough tests, decided to use Pioneer Boxes for shipping automobile tire chains.

When new chain products were added it was only natural to find out if these new products could also be shipped safely in Pioneers.

In twelve years time the American Chain Company has never had any trouble due to box breakage.

Pioneer Wirebound Boxes effect multiple savings. They save lumber and weight. Save storage space. Save time in assembling, packing and closing. Save time and labor in opening and unpacking. Save loss and damage claims.

It may be worth your while for a General Box Engineer to call on you. If you cannot use Pioneers he will tell you so frankly and may be able to help you by suggesting an improvement in your present shipping methods. This service is free to you. Involves you in no obligations. We make all types of wood boxes and crates in general use. Sixteen factories enable us to make quickest possible shipments.

Write today for "General Box Service"—a bulletin of information on boxing and crating.

GENERAL BOX COMPANY

504 North Dearborn Street, Chicago, Illinois

SIXTEEN FACTORIES GIVE YOU CLOSE AT HAND SERVICE:

Bogalusa, La. Brewton, Ala. Brooklyn, N. Y. Cincinnati, Ohio Detroit, Mich. East St. Louis, Ill. Hattiesburg, Miss. Houston, Tex. Illmo, Mo. Kansas City, Mo. Louisville, Ky. Nashville, Tenn. New Orleans, La. Pearl River, La. Sheboygan, Wis. Winchendon, Mass.





What others Say!

SHAKESPEARE built up his stage characters by the things he made them do, the things he made them say, and what he made others say about them. These are the ways today in which the public forms opinions.

And of these three, what they say counts most in the sale of motor cars to-morrow. Car owners exchange experience. Every owner is perpetually comparing his car with other makes that pass on the highway, slowly deciding what car he is going to buy next spring, next summer.

Finally comes the annual automobile show where, with his wife and children, he can compare all the cars in his price class as they are exhibited side by side. By furnishing a basis for comparison, these shows perform a useful economic function. And the shows do more. There is exhibited what theindustry has contributed for the coming year to the advance of the art of transportation. Competitors meet as friends. The shows afford inspiration and effect a renewal of faith for these men—immeasurable benefits of intangible monetary value which ultimately translate themselves into the income accounts and balance sheets of the automotive industry.

Focusing a nation's attention upon the automobile as they do, the shows arouse a consciousness of the need for another year's supply of transportation.

After the shows, buyers' tongues wag. They say this—they say that; and what they say counts most in the sale of motor cars tomorrow. Word-of-mouth advertising works. The nation has sold itself another year's supply of motor cars.

A booklet will be mailed you, if a request is directed to the Department of Financial Publicity, General Motors Corporation, New York

GENERAL MOTORS

BUICK · CADILLAC · CHEVROLET · OAKLAND · OLDSMOBILE · GMC TRUCKS

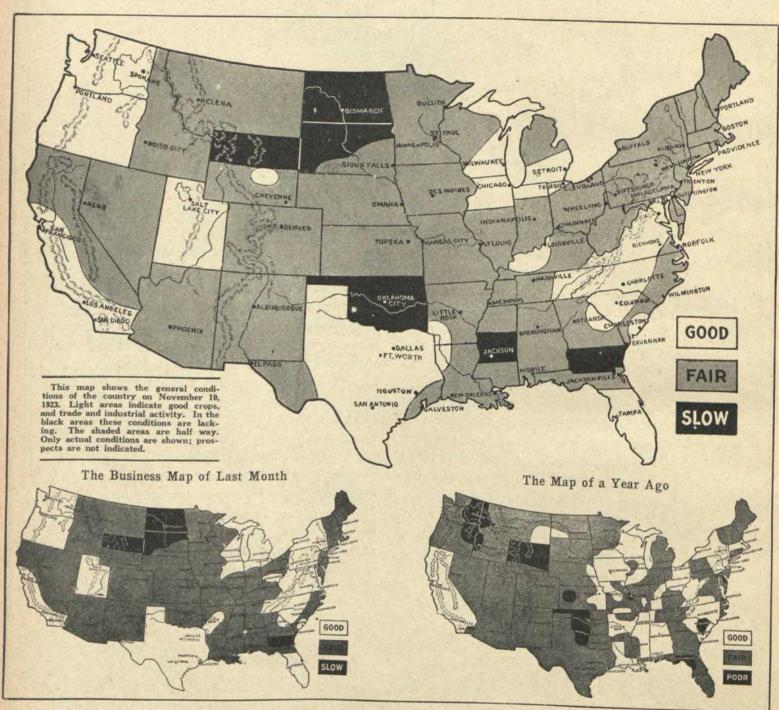
Delco and Remy Electrical Equipment • Harrison Radiators • New Departure Ball Bearings
Hyatt Roller Bearings • Jaxon Rims • Fisher Bodies • AC Spark Plugs—AC Speedometers
Brown-Lipe-Chapin Differential Gears • Lancaster Steel Products
Inland Steering Wheels • Klaxon Horns • Jacox Steering Gears
Dayton Wright Special Bodies • Delco-Light Power Plants and Frigidaire

- · United Motors Service provides authorized national service for General Motors accessories ·
- · General Motors Acceptance Corporation finances distribution of General Motors products ·
- · General Exchange Corporation furnishes insurance service for General Motors dealers and purchasers ·

The Map of the Nation's Business

By FRANK GREENE

Managing Editor, "Bradstreet's"



THE LEOPARD of spotted reputation has, as the popular saying puts it, "nothing on" the present trade and industrial situation. In fact the average trade review has rung the changes on the varying words denoting irregularity for some time past.

Irregularities of weather, poor crop yields in some sections, changing bases of comparison, new channels of distribution, uncertainties as to the reception to be given new and higher price levels in the spring, the temporary psychological effects of certain not altogether successful bearish stock market movements and even the massed predictions of the new profession of business forecasters have all been held responsible for the failure of trade in October to meet anticipations. In fact,

trade has been fair to good, classing fully fair in a majority of cases, best for nearby or immediate needs and rather slow or fluky for the further future, say for next spring or beyond. Retail trade, retarded by unusually heavy rains in wide areas or warm weather in others has after all shaped up fairly well. Jobbing trade has likewise held up fairly well and holiday trade promises to be good. Sales for next spring or beyond have lagged because of uncertainty as to the reception awaiting higher priced cotton goods.

Manufacturers have perhaps been the chief sufferers because of the refusal of buyers to assume risks or because high cost of raw materials, notably the textiles and particularly cotton, have made them disinclined to go

ahead piling up stocks. Recent searching for new reasons for the failure of demand to consume the product of the vastly larger capacity available for manufacture now as compared with earlier years has seemed to center on the question of costs. This despite the fact that wages are high, employment active as rarely before, savings bank deposits increasing, and sales of certain one-time luxuries larger than in any except the wildest of boom times.

A glance at the map accompanying this article reveals a slight increase in shaded areas, this increase being most notable in states where industrial or manufacturing interests predominate. In some scattered areas of the South and Southwest, there is a little

Clark Tructractor Company

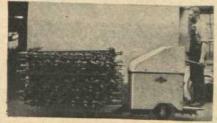
1127 Days Ave., Buchanan, Michigan:

Gasoline industrial trucks and tractors work 24 hours a day; 3-wheel vehicles of this type possess other unique advantages.

Please send me your photographic catalog of material-handling equipment. Position Company. This coupon will bring you a new photographic booklet showing how Check below if you want to see our representative. Clark Tructractors and Clark Truclifts are saving. time, money and men in handling materials-"View of Clark 3-ton Truclift, agasoline powered industrial lift truck."



"Clark Truclift lifts and carries two high tote boxes loaded with machined parts."



"Clark Truclift works 24 hours per day carrying assembly parts in large motor plant."



"Clark Truclift with powertiering mechanism. Lifts, carries and tiers,"

CLARK TRUCTRACTORS



A TRYING TIME

is Transfer Time; Really Good Transfer Cases, Delivered Before Transferring Begins, Are a Big Help!

Front office executives like to be able to push a button and have the correct papers brought to them instantly. That's fine, but those same front office executives should remember that such efficiency does not just happen.

Somebody must bring it about by hard, painstaking work, fore-thought and the right kind of transfer cases!

Van Dorn Transfer Cases are better because: (1) they're closed against dust (no open sides); (2) they save space; (3) they're strong; (4) they interlock rigidly without bolting; (5) they're easy to use; (6) they're good looking; and (7) they cost no more.

There is a grand rush for transfer cases at the last minute. Don't wait. See the Van Dorn now, place your order early and get delivery before you need the cases.

THE VAN DORN IRON WORKS COMPANY

Mastercraftsmanship-in-Steel

CLEVELAND

Branches: Cleveland New York Chicago Washington Pittsburgh Philadelphia



increase in the darkest shading. Most of this has had its rise in producing or manufacturing lines rather than agriculture. In fact, owing to the added strength of a number of farm products, notably cotton and dairy products, the really well sustained prices of wheat and the notably good prices paid for the last of the old and the first of the new corn and tobacco crops, the position of the farmer, generally speaking, has if anything, improved, and there seems a better basis than at any previous time since the new crops began to be marketed for the cialm that crop yields as a whole this fall will exceed those of last year by a good margin, some putting it as high as \$1,000,000,000. That the agricultural interests have picked up a good deal just as regular trade and industrial operations have seemed to falter, makes it really seem as if some of the balance lost in the great decline in farm products two years ago, were to be restored.

Fear of Surplus Unfounded

IT IS perhaps to be regretted that the mainspring of some of this gain, as in the case of cotton, is to be found in reduced crop yields, and high prices will not compensate where, as in the parts of the South, the boll weevil or other insect ramage has actually destroyed the crop, or as in the case of spring wheat, where yields have been too small to repay the farmer for his labor this year. But it is worth noting that some earlier fears of unwieldy surplus quantities of crops have now largely been dispelled. Recent reports seem to point to good-sized imports of the Canadian product to supplement domestic supplies of bread wheat. There does not seem to be any complaint from the Pacific Northwest. There is reported in the old Northwest, an apparent oversupply of durum wheat which is not desirable for bread making. That things are better with the wheat farmer seems evident from the reports that the decrease in winter wheat acreage will not be as large as earlier expected. That crop will enter the winter in excellent condition

will enter the winter in excellent condition.

In casting up the visible changes which have come to sight in the last month or so a few of the htings that stand out quite clearly may be mentioned. Cotton has risen five or more cents a pound, helpful in states like Texas and the Carolinas. The buying of cotton goods for next spring and beyond has been, until lately, under the check rein of the higher prices necessarily asked. Unwillingness to buy as well as unwillingness to sell far ahead has been a bar to some business. In the matter of wheat, which was tied by corn prices for a while early in October, there is complaint of high prices affecting the flour-milling industry with some necessity to go far afield for supplies.

Metal Market Less Strong

THE METAL trades have been variously affected by different degrees of demand. Pig iron and scrap metal have weakened steadily in price, but on the other hand, while steel mill operations have receded as a whole, steel prices have been fairly well maintained owing to the buying of supplies by automobile makers, the railroads, structural material users and Japan, with reports of large sales of tin plate for the first quarter of 1924. Pig iron production is still receding in price and production but at a slower rate than recently, and steel production fell only one per cent below September while pig iron output dropped 2½ per cent.

The declaration of a small extra dividend on the common stock of the Steel Corporation exercised a notable effect on a stock market which was apparently drifting downward owing to weakness in the oil, rubber, automobile and other specialty stocks, and in the shares of the railroads in the Northwest and North Pacific which had attracted the attention of restless speculators. The extra dividend, however, seems to have introduced a shade of firmness into the steel and other trades which since the entry of industry into the stock market lean with increasing weight on the stock ticker. The lumber trade is less active than at the height of the building boom, but is still well ahead of last year, and Japanese buying is heavy. Sales of other materials have been generally active and New York is buying a good deal of foreign brick.

Conditions Above Average

Such measures of movement as are available thus early in the month do not tell the world an especially gloomy tale. Bank clear-ings show a slight loss from a year ago in October when the largest total in twenty-two months was rolled up, most of this decrease being at New York and a few southwestern and northwestern cities, where depression in oil or unsatisfactory agricultural conditions are noted. Failures show a seasonal increase, but are still below the receding totals recorded at this time a year ago. Building permits for October point to a sharp rally over September and to the biggest percentage of gain over a year ago shown in any month since last April. Pig iron and steel production figures are the lightest since late last winter, but greatly exceed those of any month in either 1922 or 1921. Automobile output for October is estimated as the largest since June, and has in fact been only exceeded in four previous months in the country's history. The mineral oil industry is still depressed and stocks are still increasing, while gasoline prices, despite large consumption, are still being cut. The price of copper is about at the year's lowest and some western mines are either reducing wages or operations.

Gain in Mail-Order

ONE OF the best statistical showings is that given out by leading mail-order houses which report a gain of 44 per cent over September, and of 25 per cent over October a year ago. The October total is the best since March, 1920. Leading chain stores' reports point to a gain of 16 per cent over October, 1922, and the aggregate sales of goods at retail in city and country by the largest mail-order and chain-store concerns are 20 per cent greater than in October a year ago. It may of course be said that these concerns are not truly representative of retail trade as a whole. The ten months' sales of these concerns, however, total \$553,000,000. If retail trade in other lines should exceed that of October a year ago, it would be no small achievement when the big swelling in trade in October of 1922 is remembered. In other words, final distribution is probably well above last year for October, and thus far in November and for the year is far ahead, 25 per cent in fact, of 1922.

In foreign trade the big feature was the

In foreign trade the big feature was the gain in cotton exports in September, which accounted for practically the entire increase in exports, amounting to 21 per cent over September last year. It is to be also noted that increased values of manufactured goods in that month about offset heavy losses in food exports for a year ago. The 7.4 per cent gain in exports for nine months of this year over last year is an encouraging feature. From this viewpoint negotiations to bring about settled order in Europe have an increasing interest for American business men.

Stone & Webster Construction Is Victor's Choice

VICTOR'S magazine, The Voice of the Victor, referring to new construction at the big Camden works where Victrola instruments and Victor records are made, says:

- "... building No. 8 rapidly disappearing."
- "...clearing the way for a new record plant."
- "... is being constructed by Stone and Webster, world-famous construction engineers."
- "...will provide greatly increased facilities."

Assurance of satisfaction makes Stone & Webster the choice of industrial leaders. Whatever you make or do, you want the feeling of security that goes with Stone & Webster construction.

STONE & WEBSTER

INCORPORATED

DESIGN · BUILD

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NEW YORK, 120 Broadway
SAN FRANCISCO, Holbrook Bldg.

PHILADELP

CHICAGO, 38 S. Dearborn Street PHILADELPHIA, Real Estate Trust Bldg

BOSTON, 147 Milk Street



Henderson, Ky., Hotel

A Modern Hotel Is Yours If You'll Try

The city or town that struggles along without adequate modern Hotel facilities, is like the hound-dog that sat in a puddle and barked for a drink!

The Hotel would be theirs if they'd only TRY!

Henderson, Ky., tried! And the Hotel shown above is theirs!

They needed \$200,000, but under Hockenbury counsel and direction, in one week, they secured \$285,500.

If your town needs a new Hotel, ask us to place your name on our list to receive each month a copy of THE HOTEL FINANCIALIST, a journal devoted to Community Hotel Financing.

It's sent gratis to readers of The Nation's Business.

Jne:HOCKENBURY: SYSTEM: Inc.
Penn-Harris Trust Bldg.
HARRISBURG-PENNA.

Production Geared to Home Needs

By ARCHER WALL DOUGLAS

THE STORY of the past is that all severe and far-reaching business depressions have been the prelude to, and often the cause of, profound changes in the structure of our economic life. It was so in the panic of 1873 which led directly to the resumption of specie payment. Again, thirty years later, the long-drawn-out depression from 1893 to 1896 ended in the adoption of the gold standard, and ushered in the era of consolidations in industrial life. The panic of 1907 resulted in the creation of the Federal Reserve System.

So far, we have gotten but little benefit from the slump of 1921. Yet, unless all signs fail and all analogy be at fault, some fundamental matters are crystallizing and assuming definite shape, despite the fog of doubt and uncertainty which still covers the country. One of them is the promise of agriculture assuming its true importance in our economic life, that it shall get merely what is coming to it, shall have the same opportunity to work out its own salvation as is accorded other industries.

Meanwhile, farmers have not been idle in doing things for themselves. One of them is the growing fashion of treating farming as a strictly business proposition, and of the adoption of such simple and efficient forms of accounting as tell them of crops and methods which pay, and of those which do not. Another, the most important of all, is the greater ease of access to all modern methods of education for themselves and for their children.

Crusade for Diversifying Wins

IN CROP diversification there is the story of our possession of twenty-five per cent of all the dairy cows in the world, and a domestic consumption that keeps pace with the increasing production of the growing herds. So in cooperative marketing—one half of the tobacco crop of 1922 was handled by the farmers' organizations; for what is coming to agriculture, although in less measure, is that intensive study and application of efficient modern ways and scientific methods which is so marked a feature of industrial life today.

Just at present manufacturing and mining are most concerned in finding a market for their productive capacities. In the metals, iron, zinc, lead, and copper, prices are somewhat weaker in the raw materials, and production has fallen off. Much the same story is true of hides and of leather goods. While building activity has somewhat decreased it is still in large volume, which means a good demand for all building materials, bricks, cement, lumber, and for all those commodities that go into houses for their completion and furnishing. There is now on foot a well-considered movement to stabilize the construction activity over years and seasons so that it shall no longer be the thing of alternate feasts and famines that has always characterized it.

The automobile business is a puzzling proposition and so far has confounded all prophecy as to the nature and extent of its output. Yet it is obvious that it cannot keep up with its present rate during the winter season ahead of us. One of the unhealthy signs attending its enormous production is the growing and widespread custom of buying cars on time payment at high rates of interest.

Another is the report of farmers buying automobiles with the proceeds of their crops, instead of first settling their outstanding obligations, a practice in which they do not differ in spirit and custom from their city brothers.

The Year's Fortunes Now Cast

IN ANY forecast of 1924, there are three factors of production and distribution; building and construction, automobile manufacturing, and railroad buying, which cannot be expected to contribute in the coming year the same volume of business which they did in the year going out. Nor has there any-thing yet developed which can be depended upon to take the place of these great contributors to business activity. This season's fortune is already told, for we need not look for any great quickening in industrial life other than comes from the usual seasonal demand and the passing influence of the holiday season. Nor can we hope for a repeti-tion of that boomlet of last spring which died out with the beginning of summer. Prices are more likely to show a declining than an advancing tendency, for our "spring running" of hopefulness is over, and we are back to the natural operation of the laws of supply and demand.

Nothing more aptly illustrates this condition than the cotton situation. The recent government estimate of production is within two thousand bales of the forecast in these columns some months ago. Raw cotton naturally responded with a rise in price, but finished material still halts uncertainly because there is no soothsayer yet wise enough to say what the consumer will pay. Cotton mills are meeting the situation by closing down in a few instances, and curtailing production in others. Just where business in the Cotton Belt can best be prosecuted can be found by a study of the production by localities and states taking this year's yield with that of a year ago. Texas, for instance, is nearly all good; and Louisiana, likewise, shows up well, with the outcome in North and South Carolina better than seemed possible two months ago.

Business in the lumber regions is practically good in all localities even although expecting some reduction in volume as winter comes on. In the cattle country, out on the great grazing plains of the Southwest and West, although pastures are good and the herds in fine condition, more or less liquidation is in progress as noted in the increased sale of cows, because prices for cattle are still unsatisfactory.

Meat Exports Help West

LARGER exports of meat products help the situation, but it takes time to rectify such matters and to bring them back into natural channels. At best, the economic movements that are in progress cannot be hurried, and can only be partly assisted in their development by whatever aid legislation and finance may give.

Meanwhile the best test of general conditions, that of the nature and volume of distribution, still runs true to form in that it reflects most accurately the story of local conditions throughout the country. It is good where there is a sufficient yield of cotton, and very dull where the reverse is true. It is holding up well in tobacco sections—Ken-

This one simple idea pays the salaries of our sales department

A big sales executive tells how he overcame his case of "business blindness" and how he found \$100,000.00 worth of business hiding in his card files.

by a National Sales Manager

EVERY sales manager believes that he is worthy of his hire. He knows that he is hired to direct sales in a way that will make money for his house. If he is successful his salary is easily covered in the volume of sales. But when I found that with a simple idea applied in my own office I could make enough EXTRA money to pay my salary and those of my four assistants year after year, I felt ashamed for not having thought of it earlier.

Designed a Special Card

As a sales manager, I know full well that it's not always the getting of new accounts that builds up a business, but the working of the accounts you have. Therefore I've always made it a point to keep as well informed as I could on customer activity. What each customer was doing, what and how much he was buying from us, whether his orders were increasing or decreasing—these and a half a dozen other points I found decidedly advantageous to have at hand for the purpose of intelligent sales work. In fact, I was so strong for the recording of this information that I took it upon myself to design a special card for our customer files.

I was quite well pleased with my record-keeping—so much so, in fact, that when a certain gentleman one day maneuvered his way into my office only to open up on me on the subject of sales records I was not slow to tell him that I had a perfectly satisfactory system.

My System Challenged

"But have you?" he countered, quickly following with a couple of questions I could not turn a deaf ear to.

"Name one of your customers, any one" he said. I gave him Smith Bros., of Oshkosh. "All right," he continued, "how quickly can you give me the status of this account? How quickly can you tell me how much Smith Bros. bought of you last year? How much last month? What items they bought most of? What item, if any, they bought none of? How the various figures for this year and this month compare with foregoing periods?"

"I'll have the dope for you in a minute," I said, and called the lady in charge of the records. But, to my discomfiture, I'll admit, it took considerably over a minute to locate the card—and when I did get the card I was astonished with the facts it presented. We hadn't sold Smith Bros. a dime's worth of goods in three months, and we should be making regular monthly sales and deliveries.

Records Hide Vital Facts

"Here is the trouble," said my friend not unkindly, "your records hide the very facts you want constantly flashed before your eyes." How much other information of vital value do you suppose we concealed in those drawers? Then he proceeded to show me the difference in another way of record-keeping.

"Just try this new method out for a while and see how much business you've been losing," he said. I could see from the very first that his method was the one for efficiency.

Every card was in sight—within 3 seconds of my finger tips. Everything pertaining to customer and sales activity was visualized before me—my eye flagged automatically to the facts needing attention. In short, a bird's-eye view of every factor of my sales work.

Results Were Amazing

I lost no time in transferring all my records to this new visualizing equipment and the results were nothing short of amazing. We cut our record-keeping costs two-thirds. We added at least 25% to the efficiency of our sales work. In fact I am willing to state that we got at least \$100,000 worth of business out of our old accounts we would never have gotten under the old system of record-keeping. The profits on that business pays all the salaries of our sales department. By using our Acme System, as it is called, I know I am selling enough more goods each year to make my department cost-free to the firm. As I look back, I realize that I had been afflicted with business

blindness, the tragic part of which disease is that you think you see and don't!

Make This Efficiency Test

How about your records? We have an interesting test you can apply to your sales records, stock records, credit records, employee records, in fact to any sort of records, that show you in a few minutes just how efficient your particular record-keeping is. This test is sent prepaid and free with a copy of our catalog describing ACME VISIBLE RECORDS EQUIPMENT in full. Your name and address in the coupon below will bring you this information.



Is "business blindness" your trouble?

No matter how carefully you keep your records, if they are not instantly visible to your eye, your very records become "blinders." You think you see, but don't. Business blindness! Acme Visible Records Equipment will visualize your whole business in a way that will increase sales, prevent losses, lower manufacturing costs, reduce inventory and cut clerical expense. Let us show you what Acme will do for you. Use the coupon below.

ACME CARD SYSTEM CO., Dept. N.B.-1223, 114 South Michigan Avenue, Chicago

Please send catalog and sample forms applicable to(kind of record).
Name
Address
Par.

ACME VISIBLE RECORDS EQUIPMENT



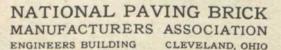
Far-sighted paving-

A far-sighted paving policy looks to three other factors just as carefully as to first cost.

> The importance of these three questions actually outweighs that of first cost-

- I. How many years of service can be expected without renewal?
- After installation what will the cost be per year for maintenance and repairs?
- What will the salvage value be after a generation of service?

Stop to think of the older pavements you know and you will realize that you can point to few pavements not of brick or stone which have given thirty or even twenty years of service without re-building.





Albion Shale Brick Company
Albion, Ill.
Alton Brick Company
Alton, Ill.
Bart Clay Company
Streator, Ill.
Streator, Ill.
Streator, Ill.
Brighammon Streator, Ill.
Cleveland, Ohio
Clydesdale Brick & Clay Company
Cleveland, Ohio
Clydesdale Brick & Stone Co.
Pittsburgh, Pa.
Coffeyville Vitrified Brick & Tile Co.
Coffeyville, Kans.
Collimwood Shale Brick Company
Cleveland, Ohio
Corry Brick & Tile Company
Corry, Pa.
Francis Vitric Brick Company
Boynton, Okla.
Georgia Vitrified Brick & Clay Co.
Augusta, Ga.
Globe Brick Company
East Liverpool, Ohio.
Hammond Fire Brick Company
Fairmont, W. Va.

Hocking Valley Brick Company
Columbius, Ohio.
Independence Faving Brick Co.
Independence, Kans.
Mack Mig. Company
Wheeling, W. Va.
C. P. Mayer Brick Company
Bridgeville, Fa.
Medal Paving Brick Company
Cleveland, Ohio
Metropolitan Paving Brick Co.
Fittsburg, Kansas.
Metopolitan Baving Brick Co.
Mineral Wells Paving Brick Co.
Murphysboro, Ill.
Patton Clay Mig. Company
Patton, Pa.
Peebles Paving Brick Company
Portsmouth, Ohio
Pittsburgh Paving Brick Company
Portsmouth, Ohio
Pittsburgh Paving Brick Company
Pittsburgh Ransas.

Purington Paving Brick Company Galesburg, III. Southern Clay Mfg. Company Chattanooga, Tenn. Springfield Paving Brick Company Springfield. III. Sterling Brick Company Olean, N. Y. Streator Clay Mfg. Company Streator, III.

Streator, III.
Thornton Fire Brick Company
Clarksburg, W. Va.
Thurber Brick Company
Ft. Worth, Texns.
Toronto Fire Clay Company
Toronto, Ohio
Trinidad Brick & Tile Company
Trinidad, Colo.
Veedersburg Paver Company
Veedersburg, Ind.
Western Shale Products Company
Western Shale Products Company

Western Shale Products Company Fort Scott, Kans. Westport Paving Brick Company Baltimore, Md.

Are Our Municipal Governments Conspicuous Business Failures?

I N NEW YORK, investigators discovered that the rent payer paid five-sixths of his rent to his landlord and one-sixth of his rent for the expenses of his city government. In other words, two months' rent a year was paid in 1922 to keep the city government running! Lewis E. Pierson, President of the Merchants' Association of New York and Chairman of the Board, Irving Bank-Columbia Trust Company, New York, has the facts and will present them in the January Nation's Business.

tucky, Tennessee, North Carolina, and others; in the sugar beet states of the West and Far West-Michigan, Wisconsin, Colorado, Utah, and California; also in the sugar cane section of Louisiana and in sections where rice is the principal crop, as in parts of Arkansas, Texas, California, and Louisiana. In the large cities it is brisk where much building is in progress.

It is slow in oil-producing localities, because of low prices consequent upon much overproduction. It is quiet in all metal-mining regions, because lessened output in some metals means automatically lower wages and de-

creased buying power of the workers.
So the story goes. The common denominators that are widespread, and general to all forms of activity, are an entire lack of concern in the financial situation because of complete confidence in the Federal Reserve System and its workings; and a prevailing caution and conservatism.

There is also developing a strong sentiment that it is to be a long story before Europe will be on her feet again, and that meanwhile we must as far as possible suit production to our domestic consumption as the main requirement, with the export business to Europe to be regarded as an uncertain quantity.

Cutting Custom's Red Tape

FROM October 15 to November 3 delegates representing the governments of 34 nations met at Geneva to work out an international plan for simplifying customhouse procedure. This meeting, at the headquarters of the League of Nations, was also participated in by business men and experts representing the International Chamber of Commerce.

The commercial delegation was headed by M. Etienne Clementel, former Minister of Commerce of France, and former president of the International Chamber. The two American delegates of the business group were Mr. Edgar Carolan, vice-president of the International General Electric Company, and Mr. Everit B. Terhune, treasurer and general manager of the Boot and Shoe Recorder Publishing Company.

E. L. Bacher, assistant manager of the Foreign Commerce Department of the Chamber of Commerce of the United States served as American technical expert of the International Chamber. The United States Government, while not a party to the conventions concluded at Geneva was represented by Louis W. Haskell, American Consul at Geneva, assisted by experts from the United States Customs Service, the Bureau of Foreign and Domestic Commerce, and the United States Tariff Commission.

The subject matter covered included the following: Doing away with harsh fines for clerical and other trivial errors in customs documents; providing lenient and liberal treatment for catalogues and advertising matter; standardization of consular invoices and certificates of origin on simple lines; simplification of the the customhouse treatment of commercial travelers and their samples; expediting the inspection of travelers' baggage on trains crossing European frontiers.

Among the most important topics covered by the conventions is, perhaps, the provision that there shall be full and prompt publication by each nation of all changes in customs rates and customs regulations, and the further provision that full information regarding such changes shall be made available through a central office at Geneva, through the International Bureau of Customs Tariffs at Brussels, through the headquarters of the International Chamber of Commerce at Paris, and the Inter-American High Commission at Washington.

"Labor's Money" in Labor's Banks

"IF 20,000,000 workers were each to save \$1 a week and regularly deposit this money in their own institutions, this whole civilization of ours would be changed within the next five years. And I predict that it will be changed . . . by the workers getting control of credit . . . if not within five years, at least within a decade."

Resounding words and round and rolling figures. Twenty millions a week, a billion a year; five years, five billions; ten years, ten billions, if not counting interest-and assuming that the depositors were content to let their money alone. And the total deposits of the country's banks are only some 30 odd billions!

The speaker is Dr. Walter F. McCaleb, some time vice-chairman of the Federal Reserve Bank of Dallas, Texas, and now vice-president and manager of the Brotherhood of Locomotive Engineers' National Bank.

A rosy dream, that of Dr. McCaleb, but let us not concern ourselves with what might happen, but rather take a moment to consider what has happened as gathered from a recent book, "Labor's Money" (Harcourt, Brace & Co.) by Richard Boeckel. (Harcourt,

Mr. Boeckel has done a first-rate, and we believe, a worth-while piece of work in bringing together for the first time the facts about what the unions are doing-not talking about doing-towards ownership of their own banks.

For a basis let us take a test of unionowned banks made up from Mr. Boeckel's book from a recent compilation in the Commercial and Financial Chronicle:

Resources about

Not given

Not given

Not given

Not given

1,000,000

Not given

Not given

1,250,000

1,800,000

1,250,000

1,300,000

Not given

750,000

May or June, 1923 \$2,800,000 22,000,000 300,000

May of Ma risburg . San Bernardino, Calif.

Brotherhood Savings & Trust Com-Producers & Consumers Bank, Phil-

Bank, Chicago Amalgamated Bank of New York ... Federation Trust Company, New

Cooperative Bank & Trust Company, Tucson, Arizona First National Bank, Three Forks,

Montana Not given Empire Trust Company, New York Not given

A partial list, inaccurate beyond a doubt. but accurate enough to show the spread of this movement; and bear in mind, the oldest of the banks under union control, the Mt. Vernon Savings here in Washington, was only opened in May, 1920.

But why a labor bank? If we accept Mr.

Boeckel's answer, the answer is this: that the unions are beginning to feel that in depositing money in the ordinary banking chan-



Gentlemen, this is my son

Just imagine that moment of glory-when you shall introduce that boy of yours to men of affairs-your boy, who so soon will step into the business swirl, to meet stiff competition, hard problems, dangerous temptations. To-day, your greatest joy is to "do something" for that boy of yours, and you ask: What Christmas gift will make him happiestwhat will he appreciate most keenly-what will help him most?

You can answer that question right now-give him THE AMERICAN BOY, and his pride in the gift will equal your pride in him.

THE AMERICAN BOY knows that "boys will be boys" -and should be !-but it knows also that boys will be men. It attracts boys, fascinates them, and holds the eager interest of 500,000 of them by sheer merit which boys are quick to discover. It gives them information about vital things in life that they can get in no other way-shows the value of character and initiative as well as ingenuity; gives them a lookahead and some preparation for the work-world that your boy will be stepping into almost before you know it.

Each and every story is written to let boys face a real boy-problem, and it teaches them how a regular fellow will meet and solve it. There is

nothing preachy about THE AMERICAN BOY. (How boys do hate preaching!) There is nothing namby-pamby or wishy-washy about it. Its articles are instructive, boybuilding, man-building, and have an instant power to suggest all that is best and healthiest to a boy.

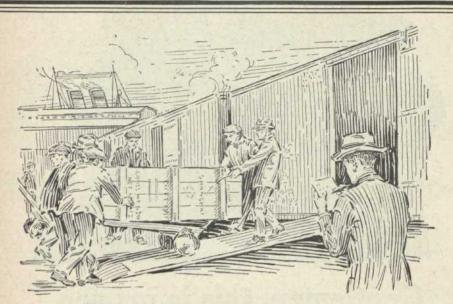
Your boy's feet are headed somewhere. What an opportunity you have, this Christmas season, to give him a friendly and trusted guide to walk with him while he gains the poise and stature of a man. Make him a present of a year's subscription to THE AMERI-CAN BOY.

Your boy needs THE AMER-ICAN BOY-to-day more than ever. It is a boy-building necessity! It is right that he should have it! Give it to him for Christmas. Subscribe today!

Perhaps there is also some other boy in whom you are interested. Make this a great Christmas for him. Send him THE AMERICAN BOY.

\$2.00 a year by mail. 20 cents a copy at news-stands. Subscribe for a year or leave a standing order at your news-dealer's.

AI	nerican Boy
	The isoteral Books Book Magazine for Book in Alf the World
Encio	HE SPRAGUE PUBLISHING CO. 862 American Bidg., Detroit, Mich. sed find \$2.00, for which send THE AN BOY for one year, beginning with the is, 1223, number, to



To Importers

ARE YOU utilizing the services which a bank such as this Company affords for facilitating and protecting your important transactions?

Do You Require Letters of Credit?

Our import letters of credit are recognized by merchants and banks throughout the world as a premier credit basis upon which to ship goods. Their use by the American importer facilitates his purchases and deliveries.

Do You Need Checking Accounts Abroad?

Direct accounts in dollars, sterling, or francs, can be opened in foreign cities where our branches are located, through our New York offices. Such accounts enable the importer to draw checks in direct payment for foreign purchases. Interest is paid on balances.

Are You Protected Against Exchange Fluctuations?

The importer may protect himself against a possible rise in exchange through a forward exchange contract with us. Thus he can fix in advance the dollar cost of the merchandise.

Guaranty Trust Company of New York

MAIN OFFICE: 140 BROADWAY, NEW YORK

LONDON

PARIS BRUSSELS LIVERPOOL.

ANTWERP

nels, they are "financing their opponents." As our author, whose sympathy with the labor movement is plain, puts it:

By depositing trade union funds with regular banking institutions, by reinsuring members with old line insurance companies, by investing the money of the workers in the stocks of banks and the bonds of industrial corporations under investment banking control, the unions have themselves contributed directly and indirectly to the power of "a few leaders of finance."

Union Incomes Now Huge

SOME figures of the financial resources of the unions are interesting:

The entire cost of administering the Amalgamated Association of Street Railway Workers, amounting to \$225,000 a year, is met out of interest on bank deposits and investments. The union's surplus exceeds \$5,000,000 and is constantly being increased.

union's surplus exceeds \$3,000,000 and stantly being increased.

The United Mine Workers of America on November 30, 1903, had \$1,129,137 on deposit with Indianapolis banks. The present dues income of the United Mine Workers is \$250,000 a month. Its operating expenses average \$100,000 a month, the remainder going into its strike a month, the remainder going into its strike

(Mr. Boeckel probably understates the income of the Mine Workers. Incidentally their president, John L. Lewis, has recently become president dent of a bank.)

International unions affiliated with the American Federation of Labor paid out \$5,475,428 in death, sickness, accident and other benefits durations of the control of the c ing the year ending April 30, 1921.

The disbursements of the Brotherhood of Locomotive Engineers range from \$2,500,000 to \$3,000,000 a year.

Random items but enough to show that "labor's money" is no myth and that if labor (by which Mr. Boeckel means union labor) should put its funds together in its own institutions, those funds might prove an economic force to be reckoned with. Let me cite one instance of the argument which is being used to draw that money into union banks:

There are \$50,000,000 of bank balances in banks of unfriendly financial powers that belong to the internationals of organized labor, and another \$50,000,000 that belong to the locals and millions more belonging to individuals in the movement. How long will you continue to permit your funds to stay in the hands of the antiunion, labor-baiting, injunction-seeking crew that uses your money to crush your organizations and uses your money to crush your organizations and drag down your wages?

The quotation is from an address by Carl D. Thompson, secretary of the Public Owner-ship League of America, before the 1921 convention of the Federation of Labor.

Set Limits on Dividends

HOW are these labor banks organized and managed? Very much like other banks with one or two notable exceptions. There has been a tendency, indeed, to employ men with experience in other banks in managerial posts. One of the exceptions is that nearly all of the new workers' banks are cooperative; that is, they limit the amount of dividends to be paid on stock and divide excess earnings with depositors. The dividend limit is in some cases 7 per cent, in others 10.

The labor union banks have, moreover, made loans with a somewhat new point of view. They have undertaken small loans to workmen, "honor loans" they call them. The question of the borrower's attitude towards labor, and union labor in particular, is apt to be a factor in considering loans. Also, some if not all of these banks have stipusome, if not all, of these banks have stipulated that credit extended shall be "for pro-

ductive purposes only."

These are random notes on a book that is

worth the business man's attention. It is at least a significant union movement.-W. B.

Financial and Operating Ratios in Management, by James H. Bliss. The Ronald Press Company, New York, 1923.

The average executive feels confident of his ability to pick up a balance sheet and satisfy himself with respect to the more or less obvious things it tells, as, for example, the cash position of the business, its working capital, its ratio of current assets to current liabilities, but beyond this he seldom goes and there remains hidden from view a vast amount of information which a properly constructed balance sheet and its com-plement, the profit and loss statement, will

The reading of financial reports is an important matter to the executive in charge of a business, to the banker who extends credit, and to the investing public which owns the securities.

Mr. Bliss has made a distinctly valuable contribution to the literature on the subject. is a book that should be read with care by every business executive.

The subject is clearly presented, the methods of constructing the various operating ratios ex-plicitly described, the statistics illustrating and supplementing the text are well arranged and illuminating. It is a good book on an important subject.

Outlines of Accounting, by William S. Krebs. Henry Holt & Company, New York, 1923.

This is a textbook on elementary accounting for use in schools and colleges. Although there are numerous other textbooks that cover a similar scope, the author has developed the same material in a rather different manner than is the usual or conventional arrangement.

He treats first, for example, of the results of accounting as pictured in the balance sheet and profit and loss statement instead of starting with the elements of double-entry bookkeeping procedure as is the usual treatment. By this treatment he claims that "the student is enabled to visualize the aims and goal of accounting before he commences upon its technique."

South Africa: Its Trade, Industries, Productions, and Resources, 1922-1923; by C. W. Francis Harrison, published by the Arthurs' Press, Ltd., Woodchester, Glos., England. Price, \$4.00.

Any American business concern or organization desiring detailed information regarding the resources, commerce and industry of South Africa, including Rhodesia and Portuguese East Africa, will welcome this new handbook by Mr. Harrison, a former government trade commissioner who is very familiar with the territory. He gives information concerning freight rates, railway fares, customs duties, and license charges, and other taxes bearing on business, lists the mine buyers, and gives a variety of other business information, in a well-printed and well-indexed book of some 400 pages.

Outdoor Advertising; by Wilmot Lippincott. McGraw-Hill Book Co., Inc.

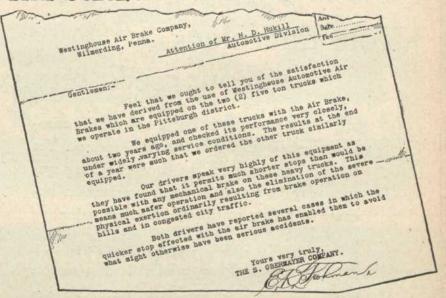
Perhaps the first book devoted solely to this branch of advertising, on which, says the author, \$35,000,000 was spent in 1921. Most readers will get a little thrill when they learn that the Wrigley sign in Times Square, New York, costs \$100,000 a year. The profit on how many slabs of gum? And how many more slabs are sold because of those winking lights? "The impression on the mind is indelible," is the way the author sums up this sign.

Patents Throughout the World; by Wm. Wallace White and Wallace White. Trade Mark Law Publishing Co., New York, 1923.

A compilation republished and brought up to date of all the world's patent laws arranged in convenient form. Every corner of the earth is covered.

Interest to All Owners of Motor THE S.OBERMAYER OF September 5th, 1923.

THE SUBJECT



NO automotive weight or speed is too great for the Air Brake. It is equal to any emergency and guarantees maximum safety under all conditions. Let us tell you how it can be advantageously applied to your motor transport problems.

WESTINGHOUSE AIR BRAKE COMPANY Automotive Division, Wilmerding, Pa.

ESTINGHOUSE E AIR BRAKES

When writing to Westinghouse Air Brake Company please mention the Nation's Business



Your time clock and our credit service

A LARGE manufacturing or mercantile company installs time clocks to save money. Yet the entire savings of the time-checking system may be lost in a single transaction because of a flaw in the credit information.

To safeguard commercial depositors, The Equitable has paid especial attention to the development of its credit service. Our information gathering system extends throughout the whole business world and our officers are trained to interpret business tendencies from current facts.

Firms and corporations who wish to strengthen their own organizations with our credit service are invited to consult us.

THE EQUITABLE TRUST COMPANY OF NEW YORK

UPTOWN OFFICE Madison Ave. at 45th St.

37 WALL STREET

COLONIAL OFFICE 222 Broadway

FOREIGN OFFICES

London: 10 Moorgate, E.C. 2 Bush House, Aldwych, W.C. 2

Paris: 23 Rue de al Paix

Mexico City: 48 Calle de Capuchinas IMPORTERS
AND TRADERS OFFICE
247 Broadway

DISTRICT
REPRESENTATIVES
PHILADELPHIA:
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BALTIMORE:
Calvert and Redwood Sts.
CHICAGO
29 South La Salle St.
SAN FRANCISCO:
485 California St.

A New Zealand Defense of Our Business Ethics

FOLLOWING is a little gem of a write-up of the United States from the Wellington,

New Zealand, Evening Post:

"No, little old New Zealand is quite good enough for me; I have no desire to live in America,' said a prominent Christchurch business man who came back by the Niagara to an Auckland press man, after a lengthy sojourn in the land of the free and the dry. He admitted that the United States was a great country, but as a place of residence for anyone brought up in a place like New Zealand—'no siree!' There was something repugnant about the whole tone of life in the States that jarred on British instincts. 'Graft,' 'graft,' was the burden of the song all the time. The whole style of government and living seemed to be founded on 'graft.' No one brought up in a straightforward British country could live in the atmosphere. A friend of the interviewer, a New Zealander, went over and tried to put on the market a certain commodity for which there was a great demand, and, after making all preliminary arrangements, he set about putting it on the market. At every turn he was met by a demand for 'backsheesh' (they call it by other names, of course), and at last he got so full up of the 'graft' method of doing business that he consigned the lot of them to utter perdition, and, packing up his traps, and his goods, he made speedy tracks for London, where he could get a good, honest British square deal."

American Firms Fair and Courteous

THIS CAME to our attention through a big American manufacturing concern who received it from the New Zealand house that handles the business of this American company. Of fully as much interest to us as the newspaper item itself is the comment of this old established firm of New Zealand merchants—they are not Americans, but New Zealanders—in their letter transmitting the clipping. That letter had the following to say:

"Speaking as a representative of both British and I.I.S."

"Speaking as a representative of both British and U. S. A. houses of more than twenty
years' standing, I can only say that I have
received nothing but courtesy and fair treatment from any U. S. A. firm I have represented, but I could give you numbers of instances where British firms have treated us
dishonestly and unfairly, and there is a
prominent instance of this before us at the
present moment."

The word "graft" presumably originated in the United States, although the institution to which it refers boasts a much more ancient lineage. That our whole style of government and living is so dishonest and corrupt as to make the atmosphere stifling "to one brought up in a straightforward British country" is, we submit, putting the case pretty strong. But when this chap tells about meeting the demand for "backsheesh" "at every turn" in his efforts to market in this country "a certain commodity for which there was a great demand," and that the worthy business man gave up in disgust and went to another country, for a square deal, that surpasses the limits of our credibility.

Our valiant and energetic Federal Trade Commission, the police, and the vigilance committees in our own business organizations, occasionally root out some shady practices on the part of individual concerns in particular lines. However, anyone at all familiar with American business knows that this sort of thing is the exception and not the rule.

Chips from the Editor's Work Bench

THE SELLING of American soups in the Netherlands must take account of Dutch tastes. From Amsterdam comes word that some of the soups



best calculated to suit the Dutch palate are: vegetable, oxtail, mock turtle, real turtle, Londonderry cream, vermicelli, chicken, pea, bean, and all bouillons. The Dutch are not familiar with clams, and oysters

are not in general demand-a condition that would handicap any attempt to sell oyster soups, or clam and fish chowders. Also, the

Dutch object to a strong tomato taste.

To get "in Dutch" is usually bad business.

To get American soups in Dutch soup tureens is good business.

CHINESE coolies are so fond of "joy rid-ing" that they will have satisfaction to the spending of their last coin, reports William Irvine, who has made a survey of automotive markets in the Far East. That fondness, it is said, plays into the coffers of railroads and bus lines. The coolie doesn't mind spending all his money for a ride in one direction and then making his way back home afoot, happy in the feeling that his money has been put to good use.

How foolish so to do, we thought at first. But second thought revises our conclusions. Consider the hopeful souls in our own land who regularly lay their last cents on the noses of strange horses, and get neither a ride nor their money back. The way of a man with a horse sometimes passes under-standing, but the way of a horse with a Comes to mind a bit of horseplay written by one Luke McLuke, which ran

something like this:

Act I. Five men break a horse.
Act II. They enter the horse in a race.
Act III. The horse breaks five men.

A SEARCH for oil is under way in Italy. The Government has divided the country into zones, each under investigation by a geologist. Report

has it that drilling has begun.

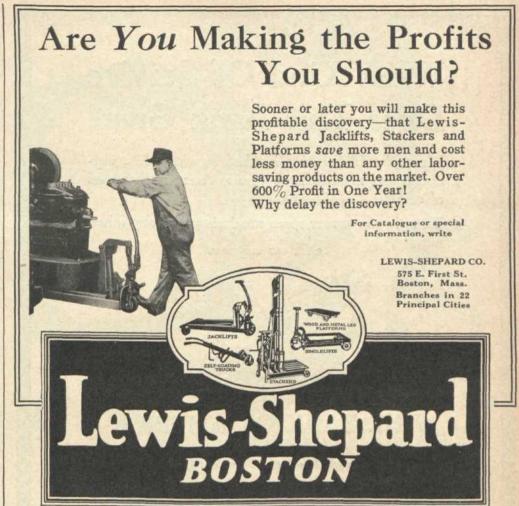
Drilling? we had always believed that Italy's oil resources grew on trees. Our information is now overhauled for a revision downward. But long ago, when



we first tried to drink the oil of olives, we might have known that their roots were spread above crude petroleum. The taste now holds a deeper significance for us.

FROM the maritime provinces of Canada lobster canners report a successful season. So we are assured that lobsters are still offered for sale. But the old-time lobster palace has been pushed out of undisputed favor by the newer blandishments of cabaret, tearoom, and roof garden.

Who remembers restaurants with aquariums in the windows and sea food displayed





What Kind Of Service Does This Bank Give?

Repeatedly this question is asked by wholesalers, merchants and manufacturers who are not yet customers of ours.

There is one answer more convincing than any other:

Ask our customers



THE BANK OF AMERICA

ESTABLISHED 1812

Trust Department Organized 1888

44 Wall Street

New York City

Paging Service Industrial Fire Alarm Service Watchmen's Supervisory Service



Is the Army of Defense Well-Officered?

Think of that little army of defenders, the night watchmen—are they a well-officered army?

Real safety is provided by the Autocall Watchmen's Supervisory Service which (alone or in combination with fire alarm and paging service) lays before the eyes of a chief on the premises a record of the movements of all his men, moment by moment, and enables help to reach any threatened point with utmost promptness! May we send full information?

THE AUTOCALL CO., 236 Penn. Ave., Shelby, Ohio
Branch Offices in Principal Cities



Starting a Company?

Save expenses and taxes by organizing on the popular, COMMON LAW plan under a pure DECLARATION OF TRUST. No experience required to fill in DEMAREE STANDARD FORMS, issue shares and begin doing business at once. Genuine DEMAREE FORMS are nationally known, approved by attorneys and utilized by successful concerns throughout the United States. Send for large, free pamphlet (D-14) containing valuable information that you may need. C. S. DEMAREE, legal blank publisher, 708 Walnut, Kansas City, Mo.

in native state? Those places were usually ornate, and much given to gilt and mirrors. They were a rendezvous of ladies of the chorus and their admirers. Live lobsters were to be had in those leisurely days, and ceremony was made of their immolation on the altar of fellowship. But imagine a beauty of the Floradora sextet dining on the canned crustacean of this day! The very thought is lèse majesté.

Cans are hardheaded, and not given to romancing. True, time was when a certain nondescript receptacle was rushed hilariously up and down back alleys to the imminent peril of its foaming content of malt cheer, but that was only a pathetic insurgency against the encroachments of a systematic utilitarianism. Now we are come to the age of cans—we live on canned food, canned light, canned transportation, canned drama, canned music. The curious archæologist of later centuries may read the answer to our riddle in the strata of our can dumps.



"SNAP-SHOT craze in China," says a headline. Well what of it? Haven't bandits and revolutionists been banging around over there time out of mind? But we were too quick on the draw. This time it's photographs and not post-mortems in the making.

American consuls report a wide use of cameras and an amazing increase in importations of photographic materials in the last decade. Since the war American-made goods have moved rapidly to first preference, and in 1921 imports from the United States were twice as large as those from any other nation, constituting considerably more than one-third of the total quantity of photographic supplies imported into China.

Picture taking, picture making—there's a pleasant emollient for the sanguinary itch to play with firearms, and a fair test of marksmanship to boot. Now the bandits and the bellicose can make pot shots of every pose—an "exposure" in the hand is worth two in an ambush.

CITY DWELLERS are harassed early and late with disturbing volume and variety of noise. Streets are becoming sounding boards on which the bustling urban life makes fleeting register of its changeful moods. But protest against the discordant dominion of noise is active and ingenious. From Minneapolis comes comforting report of a noiseless street car. So quiet is the car in operation, we are told, that passengers are hard put to keep their voices low enough for privacy in conversation. Rubber gaskets fitted between the car body and its trucks serve to muffle noise, and the old-style journal boxes and iron brake shoes have been eliminated in the new design.

But along with the welcome word from the northwest comes news that a musical hearse is now open for business in one of New York's populous neighborhoods. Chimes are provided, and there is a radio set to catch music from the air. And so it is that silence is sought for the living, and sound is set up to honor the dead. Should the mourners be

caught in a traffic jam, the awkward wait might be bridged with a concert from the hearse. Reason enough, we think, in the trappings of that hearse to revise the crisp comments of two old circus men who were held up at a cross roads by the passage of a funeral-

"Not much flash in the parade."

"Naw. Only one open cage, and no bands."

PLAYGROUNDS of domestic development are inviting our people in increasing number. The importance of the tourist travel to intermediate communities has been appraised by the Department of the Interior. The power of our national parks to invite travelers has material translation in the amount of money spent en route and within the park reserva-tions—Yellowstone, Yosemite, Mount Rainier, Glacier, Crater Lake, Sequoia, General Grant, Mesa Verde, and Rocky Mountain national parks, and the Grand Canyon were the goals of tourists who spent millions of dollars dur-ing their trips. In Colorado, for example, tourists are estimated to have spent \$40,-000,000 while making holiday last season.

Transcontinental roadways and railways invite transcontinental traffic by motor and rail. The "See America First" slogan is bearing golden fruit for towns and cities remote from our national beauty spots—the traveler must live along the way, and he usually lives

Styles in parks and scenery change, but the domestic product commands an admiration beyond any thought to "patronize home in-dustry." With the glories of our mountain park lands we can match the proud Castilian boast that "he who has not seen Seville has not seen the world.'

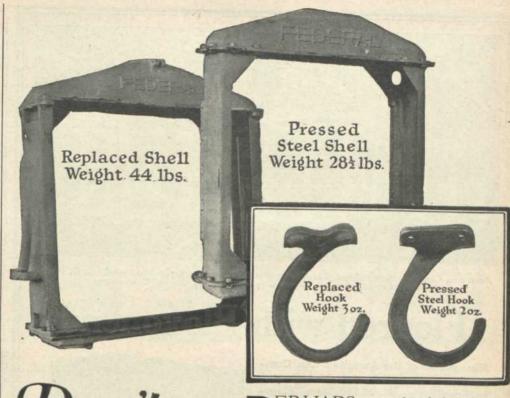
THE VARIETY of German life has fresh spice in the advance of an army of caterpillars. From Czecho-Slovakia the caterpillars have invaded the forests of Saxony and swarm onward with devastation in their wake. In one area of 6,231 hectares, 1,034 hectares, or 17 per cent, were stripped of foliage.

So the Germans have a mimic measure of "frightfulness" set down at their own doorsteps. Let tacticians and strategists take thought for the "next" war. Resources of caterpillars might determine the balance of



power. "Caterpillars will win the war"— there's a slogan to confound the goose-step with goose-flesh. One touch of nature could make the whole world squirm!

METAL continually jostles wood for the favor of man. But wood holds on strongly and asks no odds of its competitor. Consider churns. Why not of metal? Because wood is a good non-conductor of heat, say chemists. Control of temperature is more difficult with use of metal churns, and fat adheres to their walls. Old ways and old wood are best for many things. But what mind's eye would envision butter were it now to come upon that ancient symbol of good cheer, "aged in the wood!"



Don't stop at size,

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Is Government by Commission Sound?

Mr. Roberts' article on the blight of government management, in this number, paves the way for another by him on the subject of government by commission—in the January NATION'S BUSINESS. We can expect Mr. Roberts' customary lucid treatment of the subject.

Some Recent Federal Trade Cases

TRADE practices that have a tendency to mislead and deceive the purchasing public into erroneous belief continue to come under the commission's ban with the issuance of prohibitory orders.

AN ORDER has been issued to a shop in Washington requiring that it discontinue using the word "silk" or any modification of the word in connection with advertisements, placards or signs related to the selling of its hosiery, unless the

This article outlines some of the charges, findings and orders issued by the Commission in consideration of complaints proceeding from trade practices in connection with:

Beet Sugar Blankets Butter Coal Golf Balls Men's Clothing Pyroxylin Shellac Ship Chandlery Silk Soap Tobacco Watches

hosiery to which the word is applied is made entirely of the silk of the silk worm, or unless the word is accompanied by a word or words aptly and truthfully describing the material or materials of which the hosiery is made should it be partly of silk. According to the commission's findings, the proprietor of the shop sold and offered for sale hosiery manufactured of material other than silk.

THREE creamery companies doing business in Missouri and Kansas are required in separate orders to discontinue certain business practices in the marketing of butter. The commission asserts that it found these companies sold and transported their butter in packages having the appearance of the recognized standard weights of one-pound, one-half-pound, and one-quarter-pound packages, but that the packages contained from one-fourth ounce to one ounce less than standard packages. The findings of the commission said that notwithstanding the fact that the companies' packages were marked to show the actual weight of the products contained, the packages were similar in dress, shape, size, and appearance and simulated packages generally recognized as standard 4 ounce, 8 ounce, and 16 ounce packages. That practice is deceptive, the commission contends, in that the public is led to believe that it is buying butter in cartons and packages which contain more butter than they do in fact contain.

A NEW YORK watch company has been prohibited by order from making use of the word "Geneva," the words "Geneva Watch Company" or the word or brand "Geneva" in connection with the manufacture and sale of its watches and watch movements, alone or in combination with other words, if the watches and movements were not made in Geneva, Switzerland, unless the true place of manufacture be given in type or lettering equally conspicuous. The commission believes that the name "Geneva" has come to be understood by the trade and public to indicate watches made in Geneva, Switzerland, and that it stands for a high grade of quality and workmanship. The use of the word "Geneva" in the concern's name and the word "Geneva" on the product, the commission's findings conclude, are unfair methods of competition.

AN ORDER to discontinue the misbranding of certain of its articles has been issued to a New York jobbing house dealing in jewelry, plated ware, and toilet sets. The commission's findings assert that unbranded articles of white pyroxylin or celluloid were bought from different manufacturers and then designated in the catalog

as "Parisian Ivory," "White Ivory," "Reed Ivory," and that other similar expressions were used to indicate the material of which the articles were manufactured. Unless the articles are in fact made or composed of ivory they must not be represented or advertised as "Ivory," directly or indirectly, the commission rules.

TWO tobacco companies and a trade association composed of wholesalers and jobbers in Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut are charged by the commission with entering into agreement, combination and understanding among themselves to fix uniform discounts or prices at which the products of the two tobacco companies shall be sold. Further allegations are that the two tobacco manufacturing companies agreed with each and every one of the groups in the trade association formed of the jobbers and wholesalers to discontinue and refuse to sell its products to certain members of the groups and to competitors of members of the association who sold to sub-jobbers or retailers tobacco products at discounts other than those agreed upon by the tobacco companies and the trade association. Practices of the character described in the complaints are to the prejudice of the public and of competitors, and constitute unfair methods of competition, according to the commission's belief.

A CHICAGO company dealing in golf balls has been cited in a case of alleged unfair competition. The citation asserts that the company buys golf balls in wholesale quantities and causes to be stamped or cut on the balls the word "Official" in connection with or as a part of its trade name. Further, the citation alleges that on the printed wrappers in which the balls are wrapped the following legend appears:

OFFICIAL GOLF BALL

This ball is standard and official as required by the U. S. G. A., the Royal and Ancient Club and other governing bodies.

The balls so marked, the commission says, are sold to wholesalers and retailers. The effect of the use of the word "official" and the legend as given above, the commission contends, is to deceive the public into the belief that the company's golf ball has been designated by the United States Golf Association and the Royal and Ancient Club of St. Andrew's, Scotland, as one officially adopted for use in all tournaments or contests conducted by or under the auspices of these clubs. The fact is, says the citation, that neither of these clubs has adopted, authorized, or designated the golf ball of the company cited in the complaint as official or required the use of this ball in tournaments or contests conducted under their auspices. The acts of the company, it is alleged, not only deceive the public, but are to the prejudice of the company's competitors.

A BOSTON concern engaged in the wholesale tobacco business has been charged with discrimination in the price between different purchasers of tobacco and tobacco products. According to the commission, the alleged discrimination was not made on account of difference in the cost of selling or transportation, or made in good faith to meet competition. The complaint asserts that the concern's acts are a violation of the Clayton Act, and a violation of the Federal Trade Commission Act.

CHARGED with giving sums of money and other things of value to employes and representatives of steamship companies to induce purchase of its goods for their employers, a concern at Portland, Maine, engaged in the ship chandlery business is cited in a complaint issued by the commission. The allegation is made that the concern's acts are unfair to its competitors who do not engage in similar methods of inducing trade.

TWO coal companies which buy and sell coal in retail and wholesale quantities at St. Louis are charged with the use of the words "Mt. Olive," "Mt. Olive Grade," and "Guaranteed Mt. Olive Coal," in connection with coal from districts other



The Spirit behind the Custom

In the country store of days gone by, upon the occasion of the seasonal purchase of the family clothing, the store-keeper, as an expression of appreciation of the business just transacted, surprised each child in the family by presenting him with a bulging sack of candy.

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than the Mt. Olive district, sold by the companies in competition with coal mined at Mt. Olive, Illinois Coal sold by the companies under similar names is not the product of the Mt. Olive mine or of the district, says the commission, and it contends that the companies' acts are unfair to competitors who actually deal in Mt. Olive coal.

THE ADVERTISING and labeling of blankets manufactured by a Boston company has interested the commission. A complaint has been issued to the company, and its selling agent in Boston is also named. The complaint charges that the two companies sell and offer for sale cotton blankets containing no wool whatsoever, which they advertise and label with the word "Woolnap" printed in large bold-faced type, to which were added the words "Pure Cotton" or "A Perfect Blend of the World's Finest Cotton" in smaller and less conspicuous type. The charge is also made that the companies market cotton blankets labeled "Wool Finish" without indicating on the labels that the blankets are wholly companded. labels that the blankets are wholly composed of cotton. In the commission's belief, the labelling of cotton blankets containing no wool with the terms "Woolnap" and "Wool Finish" and the furnishing of labels with those words for use by others is to the damage and injury of a consider-able number of manufacturers of cotton blankets who do not follow such practice.

OPPOSITION to the practice of branding or labeling products with the words "Union Made" when they are not so made is expressed by the commission in a complaint issued to an Atlanta manufacturer of overalls and trousers. According to the complaint, the manufacturer placed on the market overalls and trousers to which was attached a brand or label containing the company's registered trade brand and in conspicuous type the words "Union Made," and it is charged that the company's products are not manufactured by workmen or artisans who are members or affiliated with associations or organizations. zations generally known, recognized and referred "non-Union-Made." The company's acts, the complaint asserts, have the tendency to mislead and deceive the purchasing public into the erroneous belief that the company's products are union made, and result in an unfair advantage over competitors.

O EFFECT the discontinuance of false or misleading statements or representations concerning the resources, operations, production, profits, earnings, disbursements, dividends, progress, or prospects of any corporation, association or partnership in connection with the sale or offering for sale of stocks or other securities, the commission has issued a prohibitory order to an oil corporation at Mexia, Texas. The corporation corporation at Mexia, Texas. The corporation was organized in the State of Delaware for the represented purpose of drilling oil wells on various leases owned by it in the State of Texas, explains the commission, and, according to the commission's findings, used false and misleading representations for the purpose of inducing persons to invest in the stock of the corporation. Among representations of that sort, the commission asserts, was the corporation's statement that certain money returned to shareholders was a dividend derived from production of oil out of wells of the corporation which was contrary to the fact of the corporation which was contrary to the fact. The corporation's acts, the findings conclude, de-ceived the public as to the true financial condition of the corporation and constitute unfair methods of competition.

AN ORDER to discontinue the use of misleading designations on the brands and labels of soap offered for sale to the public has been issued to two Chicago manufacturers of soaps and toilet articles. The order prohibits the manufacturers from using as labels or brands on soap sold by them the words "Olive" or "Palm" alone or in combination with any other words unless accompanied by a word or words designating the companied by the companied by the companied by the companied by panied by a word or words designating the constituent elements other than olive oil or palm oil constituting in part the fatty ingredients of the soap, or otherwise clearly indicating that the fatty

ingredient of the soaps does not consist entirely of olive oil or palm oil whichever the case may be.

PROHIBITORY order has been directed to a Washington firm operating a tailoring establishment. In the commission's investigation of the case it was found that the firm used a system of group selling which was represented to afford each customer in each group an equal chance to obtain a suit of clothes for varying sums less than the full set price of \$48. This representation was false, the commission declares. The order re-quires that the firm discontinue falsely representing through agents or by any means whatsoever to customers or to prospective customers its method of marketing merchandise. The firm is also prohibited from representing to customers that under its plan of marketing merchandise each customer would have an equal chance with other customers in a selection for those who are to receive a suit of clothing at a price under the full payment of \$48, when in truth and in fact, the commission says, no equal chance is given.

A MANUFACTURER of paints, varnishes and allied products, in business at Stamford, Connecticut, and New York City, is prohibited by order of the commission from using on labels or as brands for varnish not composed wholly of 100 per cent shellac gum, or on containers in which varnish is delivered to customers, the words "Mongol Shellac" or the word "Shellac" alone or in combination with any word or words unless accompanied by a word or words distinctly setting forth the ingredients of which the varnish is composed, and with the percentages of all such ingredients clearly stated. The commission's investigation disclosed, it says, that the concern advertised and sold under the brand name of "Mongol Shellac" a product not composed wholly of genuine shellac gum dissolved in alcohol, and without indicating in anyway whatever on labels and brands that its product contained any other gum or substitute for gum than genuine shellac gum.

A PROHIBITORY order directed to two sugar companies and two persons operating from Salt Lake City requires that they discontinue certain unfair methods of competition in the beet sugar industry. The order, which issues only after a full hearing, prohibits the parties named from conspiring to maintain or retain the monopoly of the beet sugar industry employed by them and as described in findings of facts by the commission upon which the order is based. The order is also directed to any conspiracy among these parties to prevent the establishment of beet sugar enterprises and the building of sugar factories by persons or interests other than the corporations named, and to obstruct or prevent competitors or prospective competitors from engaging in the purchase of sugar beets and in the manufacture and sale of refined beet sugar. Certain specific methods found to have followed by the respondents in accomplishment of the practices condemned in the order are given in detail in the decision of the commission. Commissioners Van Fleet and Gaskill dissented to the findings and order of the commission. Commissioner Van Fleet filed a dissenting memorandum.

A CLEVELAND company, dealing in paints and roofing materials, has been cited by the commission for alleged unfair competition.

The citation alleges that the company falsely represented the contents of a letter written by the state chemist of Ohio concerning analyses of two samples of roofing material. The citation includes the letter as published by the company, in which it is said by the commission to have asserted that the letter was an exact copy of a letter received from the chemist. The complaint asserts that in republishing the chemist's letter the company changed certain figures in the results of the analyses made by the chemist, and in a comparative statement of the analyses attached the name of a competitor's product to the less favorable results, and the name of its own product to the results which were more favorable to the end that the public was deceived and the competitor injured.



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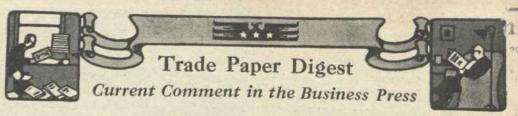
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THE FORMATION of the new national wheat marketing committee under the chairmanship of Col. Frank O. Lowden, of Illinois, has met with little favor in a number of farm publications.

According to Iowa Homestead:

Developments of the past two weeks in the efforts to establish a semi-official agency for the marketing of the present wheat crop . . . have been dominated throughout by a little clique of men who are probably just as much (if not indeed, a great deal more) interested in political matters than they are in the prosperity of the wheat farmers, and who, I believe, can be depended upon to oppose anything of a permanent nature which will take away the machinery of wheat marketing from the control of certain selfish interests which fear, beyond all else, the permanent adoption of a real cooperative marketing system by the farmers of this country.

Furthermore, in the opinion of the Home-stead, it is the plan of the committee to work "a gigantic price manipulation scheme" fi-nanced by the War Finance Corporation which, if successful, will be at best temporary, and, if unsuccessful, will result in profit to the grain speculator rather than the farmer. The Iowa Homestead concludes:

The need of the wheat farmer is not tem-The need of the wheat farmer is not temporary relief. It is a permanent marketing system, controlled by himself, operated by himself, financed by himself, or at least made sufficiently independent so that the organization cannot be squeezed by eastern financial interests if its activities do not suit them. This kind of a marketing organization appears to be very different from that proposed at to be very different from that proposed at the secret meeting in Chicago.

The plan meets with no more approbation from Price Current Grain-Reporter:

The endeavor to relieve the distress of the wheat-grower by this plan to disrupt the grain business in certain localities and disarrange the natural process of distributing wheat to the mills of the country, is an adventure into collectivism that has no apology in good government of good business sense. The laboratory experiments with the collective marketing of minor products, such as raisins, prunes, oranges, walnuts, eggs (locally), even of cotton and tobacco—all strictly localized products—is not yet completed. is not yet completed. . . . To apply the same theory and method, which are still on trial with peculiar farm products most congenial to such a laboratory experiment, to the marketing of a universal crop like wheat, is a proposal no real economist or statesman, much less a cautious business man, would advise; more especially one who should first take the precaution to inquire thoroughly, on the ground, into the results obtained in the actual operation of the pools which have been in business long enough to make an examination possible that would be worth while as an indication of what might be expected for the future.

An Expensive Scheme

THE PROPOSAL is further analyzed by The National Stockman and Farmer which cites the failure of the U. S. Grain Growers and predicts a similar end for the present scheme:

Let us analyze the proposed plan and see whether it is likely to solve the wheat price problem. Its ultimate success must depend on its financial advantages over the present marketing system and that system's existing agen-

Is it reasonable to hope that an organization

can be formed without heavy cost which must be borne by the producers? Can such an organization, which must depend on hired service and which cannot take such opportunities for profit as individuals often improve, compete in economy of service with existing agencies in the hands of men financially interested in economy? Can the growers' organization legitimately secure higher prices than other marketing agencies?

If the answer to these questions is yea then the movement should proceed; but in our judgment the answer is nay and the sooner the new movement is abandoned the less it will cost the wheat growers of America, who are not in position to invest more capital in theoretical marketing. Nor are they likely to

invest it.

How Can Government Help?

So MUCH for adverse criticism of methods proposed. Of constructive suggestion there seems to be little. Some papers, notably Wallace's Farmer, believe that inasmuch as the Government, through the War Administration, is largely responsible for much of the farmers' difficulty, the Government is under obligations to do what it can to give the farmers practical help now. O MUCH for adverse criticism of methods

Farm, Stock and Home looks with favor on four main principles: the formation of a government corporation, the segregation of the exportable surplus, the establishment of a differential for wheat consumed in the United States, and a reduction of wheat acreage, and presents the following plan, which it recommends as sim-

ple and workable:

Let the Government form a grain corporation to take, early in the season, whatever wheat we may have over domestic require-ments off the market and handle it as an export pool, thereby putting us on a domestic basis and allowing the tariff to do its work. This is just what we advocated in the August 15 issue. Now in order to see that the acreage is kept down, let the Act be drawn to read that the corporation would function only in the event of there not being an acreage put in that normally would give us more than our domestic requirement of 600,000,000 bushels. This would mean, allowing acreage abandonment of winter wheat acreage of 2,500,000 acres, based on fifty-six years, an acreage of 48,300,000, giving an average yield, figured on fifty-six years, of around 600,000,000 bushels. Here are the actual yields that have been made on acreages nearest our theoretical figure after deducting average abandonment:

Acres Crop	
1897 46,046,000 610,254,0	00
1907 45,116,000 637,091,00	
1908 45,970,000 644,656.00	
1910 45,681,000 635 121 0	
45.814.000 720.267.00	
1917 45,089,000 636,650,00	

If a larger acreage was put in, the crop would be sold in the usual manner. The law would have to allow for determination of acreage dependent on yield and carry-over the previous year.

Would not the natural result of such a law be to make every farmer see to it that his neighbor played square? . . . There are practical details in all plants that must be worked out. The main thing is to get something definite adopted as a basis for future develop-

Entirely willing to fall in with the scheme for reduction of wheat acreage is The ington Farmer which states that for the last

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BUFFALO: 1100 r ans, 1100 baths. Niagara Square. The old Hotel Statler (at Washington and Swan) is now called Hotel Buffalo; and the old Iroquois Hotel is closed, not to re-open. CLEVELAND: 1000 rooms, 1000 baths. Euclid, at E. 12th. DETROIT: 1000 rooms, 1000 baths. Grand Circus Park.

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- 1. You must, in all dealings with guests or fellow employees, practice the golden rule, and treat him as you would like to be treated if your positions were reversed.
- 2. You must, in every case, satisfy the guest whom you are serving-or, if you cannot do so. when you have gone to the limit of your authority, you must refer the case immediately to your superior.
- 3. You must follow the spirit as well as the letter of your detailed instructions, as contained in the

Statler Service Codes and your other printed instructions.

So, with the duties and responsibilities of employees defined as well and as plainly as they are in this organization, this company is undertaking to go a step further than it—or any hotel—has heretofore gone, and publish here and elsewhere this formal

Guarantee of Statler Service:

We guarantee that our employees will handle all transactions with our guests (and with each other) in the spirit of the golden rule—of treating the guest as the employee would like to be treated if their positions were reversed. We guarantee that every employee will go to the limit of his authority to satisfy the guest whom he is serving; and that if he can't satisfy you he will immediately take you to his superior.

From this time on therefore if you have

will immediately take you to his superior.

From this time on, therefore, if you have cause for complaint in any of our houses, and the management of that house fails to give you the satisfaction which this guarantee promises, the transaction should then become a personal matter between you and me. You will confer a favor upon us if you will write to me a statement of the case, and depend upon me to make good my promise. I can't personally check all the work of 6,000 employees, and there is no need that I should do so; but when our promises aren't kept, I want to know it.

My permanent address is Executive Offices,

My permanent address is Executive Offices, Hotel Statler Company, Inc., Buffalo.



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	General Managers	9,975
	—Export, Etc.)	8,182
ŝ	Major Executives	97,785
	Other Executives	9,849
	Total Executives	107,634
	All other Subscriptions	18,357

If this audience represents a market for your products, we shall be glad to give you complete advertising details

The NATION'S BUSINESS

Washington, D. C.

* Figures based on a complete investigation of all subscribers in twelve cities

two years agriculture has been out of gear with other industries, and that while the farmer's dollar is worth only 59 cents as against the 100 cents before the war, nearly as much agricultural produce may be bought with the 59 cents now as then. Washington Farmer con-

If that unfair condition applied to the products of factories, the owners of the factories would close their plants. But the farmers cannot adjust themselves that quickly. They are of necessity bound to the soil. they can do this: they can cut down their production; they can discharge the hired man, allow a part of their soil to lie fallow and run the old farm with their own labor.

Finally, Modern Miller comes forward with a suggestion which has at least the merit of relative freshness. "Are we to grow only enough wheat for domestic consumption, or will we grow also for export?" asks this publication, and answers its own question thus:

The Modern Miller believes the latter policy is the soundest. It can be done. Larger per acre yields will reduce the cost of producing a bushel of wheat. If the Government will establish four plants for cleaning and grading seed wheat, and distribute this wheat at commercial prices, the result will be better seed, better yields and lower cost of produc-

A government cleaning and grading plant for soft wheat sections; one for spring wheat in the Northwest; another for the hard winter wheat sections and a fourth for the Pacific The immediate result of this would be an incentive to produce seed wheat.

Imagine the results of contests to produce the finest wheat, with prizes for champion growers and all this wheat assured a premium market at a centralized grading and distributing plant. It would in time eradicate poor sorts, establish type, insure an abundance of seed with a fixed source of distribution. It would mean better wheat; it would mean cheaper wheat. Quality reduced price and cheaper wheat. Quality, reduced price and increased production would strengthen our position in world's markets.

But the thought that wheat is not a profitable crop promotes indifferent growing. Indifferent growing is a costly crop and a costly

crop finds no export demand.

We cannot recall a fine grain, or a fine

fruit, or fine live stock developed under the impression that production is not profitable, or worthwhile. Ascendancy and progress do not flourish in such an atmosphere. More and better wheat is still a sound policy, but some practical means is lacking. Will cleaning and grading plants to distribute fine seed wheat offer a practical step toward more wheat and better wheat, produced at lower per bushel cost?

Standardize Mining Machinery; Results Will Pay for Trouble

THE IMPORTANCE of standardizing coal-mining machinery, and the difficulties which beset the manufacturer who has to give up his old design, are brought out strongly by Coal Age, which feels that continual effort should be made to reduce sizes and designs to the minimum. The Age observes:

To the operator standardization appears solely as a call to give up certain of his equipment and substitute other of a more general applicability. . .

Immersed in his own problem the operator does not appreciate just how the manufacturer views the matter. Here are two makers of some one class of machine. Their designs are different; both are good. If one manufacturer decide that standardization is desirable, he must get the other to assent to it. The maker of one machine must copy that of his rival or the rival must copy his or both must copy from each other to get a new machine that will serve as a standard for both.

In either case whatever concern does the

copying breaks from its own standard and all its clients buying its machines thereafter have difficulty with their stocks. They have thereafter two makes of machine. In fact as far as the change is made in the direction of copying the rival manufacturer's standards the consumer has the equipment that accords with that made by a rival instead of that which accords with that made in the past by the firm from which he has been buying. Standardization is so important, however, that clamor must be continued in its favor. Only perpetual effort will effect that which is so desirable. Certainly we should arrive at a condition under which it will be possible to have each manufacturer reduce his designs nearer to a standard and make his machinery as far as possible aggregations of a few standards. No one would make a mine car with all its rivets or bolts of a slightly different size, but we sometimes do almost as ill. . . . A variation that has no justification is to be avoided for the good of all concerned.

A Housecleaning Welcome Even If Somewhat Tardy

THE HOUSECLEANING within the ranks of the United Mine Workers of America is variously regarded by the coal press. While commending Mr. Gompers because, under his leadership, the American Federation

While commending Mr. Gompers because, under his leadership, the American Federation of Labor rejected bolshevism and communism and expelled from its convention the spokesman of the red element, The Black Diamond reprints from Manufacturers' News an editorial headed "Shouting Their Own Praises," which characterized the clean-up movement as "a panic for patriotism," and which, while it does not question the sincerity of the effort, observes that it is tardy and too much paraded:

... why this campaign of patriotism just now? ... Why should the American Federation of Labor get any credit for being patriotic? It is its duty to be patriotic. If it is not patriotic it ought to be put off the map.

One rarely, if ever, sees an honest man running around telling other people he is

One rarely, if ever, sees an honest man running around telling other people he is honest, and when a man commences to shout about his own patriotism keep your weather eye on him. . . . The American Federation of Labor has lost a million and a half of its members since 1920. No wonder it is purging itself.

Similarly The Mining Congress Journal, which while willing to commend the Mine Workers' expose of the communist program, cannot overlook the fact that although blame for the Herrin affair is laid at the door of Reds within the organization, "the criminals at Herrin and elsewhere have been defended with the aid of union funds exacted, to a large extent, from unwilling contributors by means of the check-off." Says this paper:

It is almost unbelievable that . . . they are responsible for the Herrin horror and other acts of lawlessness charged against union miners, if the United Mine Workers, in good faith, really are fighting to rid their ranks and the country of elements that are hostile to the American Government and the personal and property rights of American citizens. This is the vulnerable point in their alleged expose. Is the public to believe now that the United Mine Workers, as such, had nothing to do with the Herrin massacre, and other crimes?

Although union funds were so used, it may be that the United Mine Workers wish to forget their errors of the past and to so conduct their organization in the future that its policies and actions will be above reproach... Such a program is endorsed by The Mining Congress Journal, which has always favored the organization of labor as a measure necessary to secure the efficient coordination of productive energy.

In like vein, The Commercial and Financial Chronicle approves the expulsion of a communist from the union labor convention, but



Faster and more accurate

Faster and more accurate service has made possible the growth of Postal Telegraph-Commercial Cables—now the world's longest line of telegraph and cables.

No other competitive companies have survived. Postal Telegraph-Commercial Cables could not have survived except through a higher standard of service.

Building always for still higher standards, this system has now laid the world's greatest cable between the United States and Europe—with a transmitting capacity nearly twice as fast as that of any other cable.

Cable service to all the world. Telegraph Service to all America.

INDEPENDENT

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-- and San Francisco and Los Angeles

Ernst & Ernst, having opened offices in San Francisco and Los Angeles, now extend from coast to coast.

The scope of the organization, with successful offices in forty-two principal cities throughout the country, measures the value of Ernst & Ernst service to modern American business.

Ernst & Ernst come to the Pacific Coast with the specialized knowledge and experience, the broad viewpoint as a national institution desired by business there.

They will make available the best plans for executive control thru facts and figures; suggest the economies, improvements and stimulus of better methods.

They will serve banker and borrower by advising the well-planned Business Budget and Certified Balance Sheet.

Briefly, they will satisfy the requirements of the Pacific Coast for proven means to an even more rapid business growth—safe and steady growth—in size, in profits, in power to serve.

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WACO

FEDERAL TAX OFFICE: 910 TO 918 MUNSEY BLDG., WASHINGTON, D. C.

What business subject do you want to read about?

MERLE THORPE, Editor of The Nation's Business, would be glad to receive a letter from you in answer to the above question. We are making extensive editorial plans for 1924, and such a letter from you now would be helpful.

cannot reconcile with the memorable "strikebreakers" wire, signed by John L. Lewis, the charge that Reds and allies from abroad planned and carried through the Herrin murder. The Chronicle observes:

It is not a new incident for outrages to be committed by striking unionists (judging from circumstantial evidence) and then have the plea set up that some enemies of the organization must have done the deeds in order to discredit it before the public.

The Chronicle concludes that while the editor of the United Mine Workers' organ is not wrong in saying that "there still is much to be uncovered and learned about the work of Reds in this country," a Senate investigation such as he recently proposed would be of doubtful value, considering the partisan quality of other congressional investigations, and that, if there is any conspiracy against labor, "the unions themselves are the conspirators."

What Congress Does for Coal Up to Industry, Says Press

THE COAL COMMISSION is through—and, in the opinion of many coal and engineering papers, has left little that will serve as a basis for legislation by the incoming Congress. Just what that Congress, many of its members fresh to coal problems, will do rests largely upon the recommendations made by the industry in the short time remaining, according to the trade press.

The suggestion by the Coal Commission that the task of getting new statistics be delegated to the Interstate Commerce Commission consists in effect of passing the buck, says Engineering and Mining Journal-Press.

That the investigation by the Federal Trade Commission of pyramided profits in anthracite will be "one questionnaire too many" is the opinion of *The Black Diamond* which comes out frankly to say that the proceeding is "an un-American invasion of personal liberty," and will come to naught anyway:

passing, that if complaints concerning only some fifty cars and involving "pyramided profits" of only some hundreds of dollars are the outcome of this entire matter it is assuredly a tempest in a teapot. . . .

There is a proper manner of conducting such inquiries. Let certain definite specific acts of alleged unfair dealings be traced to their source. Let specific requisitions for information issue, having to do with specific transactions, and let subpoenas issue in case information is withheld. But let us have done with blanket questionnaires which throw a cloud of suspicion over all concerned, constitute an un-American invasion of personal liberty, and cannot be conceived as accomplishing any definite desired end.

That it is up to the coal operators to formulate some definite plan is the opinion of *Coal Mining Review*, which scouts the idea of direction of the industry by the Interstate Commerce Commission:

A fine spectacle in the wonderful progress of our country, to have all our transportation companies and operating coal companies placed under the control and subject to the decisions of the Interstate Commerce Commission.

There is but a very short time until the Congress of the United States will convene in regular session. . . The big job is to get the operators together and have a free and frank exchange of opinions from which a definite plan can be formulated and a policy adopted to put the plan into effect. Inactivity and indifference on the part of the operators now may be very costly to the operators in the future. Get together should be the slogan of the operators of coal mines.

"A hodge-podge of miscellany on our statute books," is what *The Black Diamond* predicts in the way of legislation unless coal men take an active interest. In speaking of the new Congress, Black Diamond says:

Many of its members will be new to its halls and lobbies. They all have in mind the next election, the folks back home and another term. In an effort to be of service to their constituents these men are going to introduce and attempt to pass a mass of coal legislation. It is probable that some administration wheel-horse will present a bill completely embodying the recommendations of the commission. Other legislators will propose other bills. Out of the mass, some one will finally emerge, and, bearing a hodge-podge of miscellany in the form of amendments, will ultimately be placed on our statute books.

Many men in the coal business, believing legislation to be unnecessary, refuse to give it serious consideration. They take the attitude that, since they consider any law superfluous, they will give attention to none. This feeling and course of action should be altered at once.

The surest way to get a bad law is for the coal men and others who are familiar with the situation to sit back and leave it to the politicians. The only way to get a good law is for coal men to get together on some set of ideas and, working through their representatives and senators, see that it is enacted into statute. Only one thing, at present, is certain. That is, we are sure to have a law. Whether it be good or bad is up to us.

The report of the Commission on the whole-sale coal trade and the inquiry by the Federal Trade Commission will furnish inspiration and material for a flood of oratory by demagogic congressmen, believes Coal Age, and it warns the trade to prepare in advance for the effects of such oratory on the incoming Congress. The Age's conclusion is that "the obvious thing is to attack the problem at its source—to eliminate the shortages—which is to say, cut out the large-scale strikes," and in this conclusion The Mining Congress Journal joins with:

Every shortage of coal which the country has ever experienced outside of war times is directly traceable to one cause. What is that cause? The concerted action of powerful bodies of men who are able, if their demands are not met, to stop the industrial processes of the nation. . . The coal industry has many troubles of its own, but the troubles which the public feel are directly traceable to that cause.

Cause of Industrial Accidents Found to Be Home Conditions

THE real cause of industrial accidents is to be sought in the home rather than in the factory, according to W. W. Rodgers, of the Westinghouse Electric and Manufacturing Com-

pany, writing in Safety Engineering.

Machinery in the East Pittsburgh plant of the Westinghouse Company had been safeguarded to the point of being "fool-proof," says Mr. Rodgers, but still industrial accidents occurred. At this point the safety experts, knowing the mechanical safety devices had about reached their limit, and the death list, while greatly lessened, was still something to be reckoned with, began to make a study of accidents and their causes.

What they found was that a large number of the accidents were caused by worry about home conditions or ill health.

And to combat these causes the company has instituted educational work, and, through its medical department, preventive and curative measures, both for the employe and for his family.

This work, in the opinion of Mr. Rodgers, in that it renders the employe more alert and enables him to keep his mind on his work, is bound to be a powerful factor in reducing the number of casualties in the Westinghouse plant.



This unit distributes warm air evenly throughout any portion of the open area of a building. It can be so connected that it acts as a ventilator and air-conditioner. It uses exhaust or live steam at any pressure—is strictly portable and can be installed by any mechanic. Wherever steam is not available we supply our Direct Fired Type DF, which burns coal, coke, gas or oil.

Steam Coil
Type SC

This Heater Also Ventilates

Here is a real operating economy—the Skinner Bros. (Baetz Patent) *Heater* is also a *ventilator*. It actually keeps every part of your building at a comfortable working temperature and at the same time can be used to supply pure fresh air in any quantity desired.

This heater is the pioneer of its type. Its construction is unique—there are no cumbersome outside ducts or pipes used to distribute warmed air. The cost of these fittings is saved—the space they occupy can be used to better advantage.

The heater is very economical—it needs to be operated only a few hours morning and afternoon even during coldest weather. Satisfaction guaranteed.

Read Over These Names of Users

Among the many users of Skinner Bros. (Baetz Patent) heaters are: Ford Motor Co., Detroit Filtration Plant, Lakehurst Naval Hangar, General Motors Co., Federal Foundry, American Stove Co., Maxwell Motors Corp., St. Louis Independent Packing Co., United Paperboard Co., and many others.

GET CATALOG E-5

SKINNER BROS. MANUFACTURING CO., INC.

Main Office and Factory: 1474 South Vandeventer Avenue, St. Louis, Mo.

Eastern Office and Factory: 140 Bayway, Elizabeth, N. J.

Boston, 445 Little Bidg. Buffalo, 702 Morgas Bidg. Chicago, 1702 Ficeher Bidg. Cleveland, 612 Marshall Bidg.

Cincinnati, 1605 Hulbert St.

Wash. D. C. 718 Evans Bidg.

Dilyar Schlemmer Co.

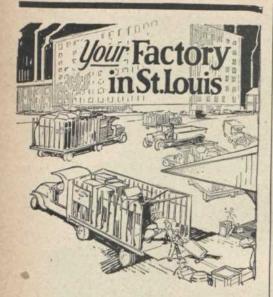
New York, 1702 Flatiron Bidg.

Pittsburgh, 8 Wood St.

Spokane, 409 First Ave.

Detroit, 308 Scherer Bidg.

Skinner Bros. Baetz HEATING SYSTEM



JOUR factory in St. Louis would YOUR factory in St. Louising enjoy the same unique advantage that St. Louis shippers have over those of other cities. Universal off-track freight stations and the "one-dump" system save a large expense which can be converted into dividends. This St. Louis service is unparalleled in any other large city.

St. Louis shippers make the shortest haul - and one dump - of a load of freight for any number of routes to the most convenient off-track station. From this point - at railroad expense - the freight is sent by tractors and 10-ton trailers to the proper outbound carrier freight houses for distribution anywhere.

"The Strongest Single Factor"

The value of this terminal service is strikingly shown in a statement by Chester B. Lord, first vice-president of the Endicott-Johnson Company, telling why his company recently decided to build an immense warehouse in St. Louis. He said:

"The saving in distribution charges favored St. Louis strongly over other cities. But perhaps the strongest single factor was St. Louis' superior and unique terminal system of handling merchandise. The off-track freight stations represent the last word in convenient, economical shipping."

Ship from the Center-Not the Rim

Send for one or both of our free illustrated booklets, "Industrial St. Louis" or "St. Louis—The Home City."

ST.LOUIS CHAMBER of COMMERCE

St. Louis, U.S.A.

News of Organized Business

HOTEL managers and auditors have oppor-tunity to cooperate with the American Bankers' Association in giving effect to that association's recommendations for standard sizes of checks and drafts, reports the American Hotel Association. Many different sizes of bank checks are usually received by hotels in the course of a day's business, and it is obvious that uniformity of size would facilitate handling. The bankers' association recommended the following sizes. lowing sizes:

Customer's check81/4 by 3 1/16 in. Pocket check6 by 25% Draft83% by 33%

Hotel managers and auditors can cooperate toward general use of the recommended sizes by asking banks to supply them to the hotels. and by inviting the attention of guests and employes to the assistance which they can give to hotels and business houses with use of the standard sizes.

The dimensions approved by the bankers' association have been recommended to the three hundred and thirty clearing-house associations, and they in turn have requested their members to order the standard sizes when present supplies are exhausted. Eastern and western associations of manufacturing bank and commercial stationers are reported to be actively interested in supplying checks and drafts to conform with the recommendations made by the

San Francisco Wins Stop-over Privilege

THROUGH the initiative of the San Francisco Chamber's traffic bureau ten-day stop-over privileges on one-way tickets are to be granted. The stop-over privilege on one-way tickets is in addition to similar privileges granted by the railroads on round-trip tickets.

Travelers from California to eastern cities had

requested that they be allowed more time to see San Francisco and the bay district. Stopover privileges were already in effect for Sacramento, Ogden, and Salt Lake City on one-way travel in both directions. The additional con-cession by the railroads was announced at a conference held by the California Hotel Association, the Downtown Association, Californians, Inc., the San Francisco Convention and Tourist League, the California Information Bureau, and the Chamber of Commerce.

A Plea for the "Play Side"

TWO QUESTIONS: "Is Bradford badly advertised?" or "Is Bradford sufficiently advertised?" received editorial consideration in the Oil Sand, issued by the board of commerce at Bradford, Pennsylvania. Explaining that the city has had considerable business boosting, and that its facilities for trading and manufacturing are well and favorably known, the editor believes that the "play side" has not been consistently developed with the business interests. pression of his observations may be suggestive to other communities. In a recent number he savs:

There are hundreds of things which daily advertise Bradford in its true color. To name the concerns which do that consistently and are known. But things come up which tend to show that Bradford does not make the most of what it has. It has not capitalized its advantages. On holidays and Sundays hundreds of automobiles go out of town. is significant. Why do they do it? Why do the occupants of these cars go somewhere else to enjoy the day and spend there the money which they have accumulated in Bradford? The question then comes: Cannot Bradford enjoy a holiday at home? Has it no way of entertaining itself on a day off? Must we use home as a place merely to work and

not as a place to play? Are there not sufficiently interesting diversions here which would make it worth while to stay here on a holiday? What would it mean if a thousand autos

filled with pleasure seekers poured into Brad-ford the eve of a holiday? What new hotels would we need to care for them! What an instant reflex upon all our markets, our shops and our theaters. How many thousand people would come to Bradford during the summer to avoid the extreme heat of the cities if they knew of our climate and beautiful natural People on a holiday spend more lavishly than when working, so the holiday crowd is worth while.

Not just one holiday but all holidays and all week ends. Hence we might well put more emphasis upon the play side of the city or that side which attracts merely because it is attractive.

Cooperative Sales at Robinson

A MONTHLY cooperative sales plan has been established in Robinson, Illinois, through the interest of the city's advertising club, its merchants and farmers of the tributary trade area. Up to September 3, 1923, forty-two monthly sales had been held since April, 1920,

when the first sale took place.

The sales are held on the first Monday of each month. A special four- to eight-page bill is prepared and mailed to each family in the trade territory. The inside pages of the bills present lists of bargains offered by merchants, each merchant usually listing from one to four items. The outside pages of the sales sheet are used for display advertising. The advertising club stands for "truth in advertising," and all copy for the sales bills is censored by a committee to make sure that the offerings of the merchants are true bargains.

A measure of the plan's efficacy is found in the report that during the readjustment period of 1921, business in Robinson held up remarkably well, and that last summer's sales were active,

with an increase of new trade.

Members of the advertising club seek closer contact with the rural population, and to that purpose they attend social meetings and dinners at country churches. Business men and their families frequently motor out to country estates for a repast on the owner's lawn, inviting his neighbors as their guests.

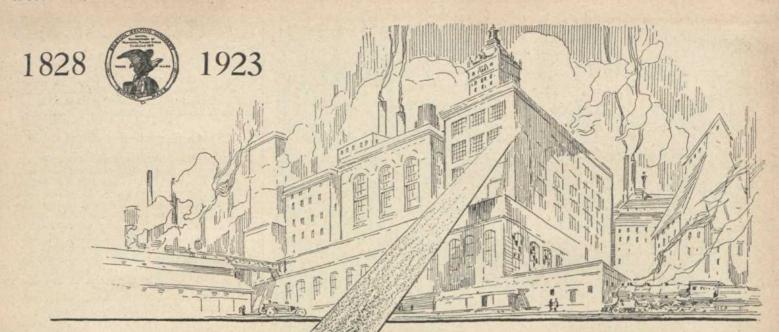
In a similar direction of cooperation is the holding of the county fair at Robinson. The fair is managed by the Crawford County Grange Society. For many years the fair was held in the country. Business men of Robinson invited the farmers to bring their fair to the city. Arrangements were made for the farmers to lease a park in the city. Business men helped to pro-vide the necessary equipment.

The business men of Robinson have learned that it pays to cooperate with one another, and with the farmers. Frequent and friendly meetings between representatives of the city and the country are building good-will and understanding to be translated into mutual benefits.—O. G. OLWIN.

A State Chamber Reorganized

THE WASHINGTON State Chamber of Com-merce has been reorganized with a constitution and by-laws. Important activities in immediate prospect include the raising of \$300,000 to develop the state's agricultural resources, and the obtaining of a greater farm population. chamber's work will be directed by D. O. Lively, Mr. Lively was director of the third and fourth Liberty Loan drives in the agricultural division of the twelfth Federal Reserve district, and has wide experience in the organization of agricultural and livestock enterprises.

Believing that the agricultural industry of the state is in need of financial assistance the directors plan to give aid through cooperative or-



A Good Name to Remember

WHEN you are considering the purchase of rubber belting for the transmission of power or conveyance of materials you will assure yourself of quality and value if you look for the Boston Belting Company imprint.

Made by the originators of rubber belting this company's product is strong and flexible; is not affected by heat or cold; its surface adheres closely to pulleys, assuring a maximum of efficiency; it is strictly waterproof; and its length of service combined with low first cost makes it unusually economical.

The Boston Belting Company has been manufacturing mechanical rubber goods for nearly a century. The same superior workmanship and materials that make our rubber belting above competition, may be found in our rubber rolls, rubber hose, spiral packing and corrugated matting.

If your problem has to do with any of the above products communicate with us today, or make certain that the goods your dealer offers bear the imprint of the Boston Belting Company—a good name to remember.

BOSTON BELTING CO.

General Offices ~214 Devonshire St., Boston.

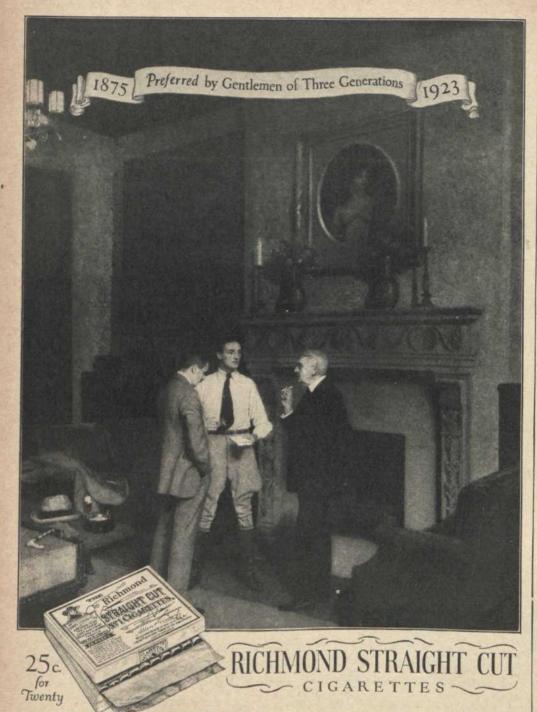
BOSTON BELTING SALES CO.

222 DEVONSHIRE St. BOSTON ~1524 So. WESTERN AVE., CHICAGO.



RUBBER BELTING

CORRUGATED MATTING



This Useful Christmas Gift for a Business Man

If you have been wondering what kind of a Christmas gift to give to one of your good business friends, associates, or executive employes, may we suggest that you give a three-year \$7.50 NATION'S BUSINESS subscription. We will see that his first copy arrives during Christmas week, and if you request it, we will write him a special letter telling him that you are the donor. Such a gift will be used, and it has the admirable quality of coming, new each time, every month for three years.

You will find a handy subscription blank, containing a ready-to-use check form, slipped in between two pages in the front part of this number.

The NATION'S BUSINESS

Washington, D. C.

ganizations or other means of marketing. The problem of the one-crop farmer is also before the chamber

The board of directors is to include representatives of the following economic interests: agriculture, banking, fisheries, immigration, labor, lumbering, manufacturing, merchandising, and public utilities. The president of the state federation of labor is a member of the board.

On Exporting to Brazil

PROBLEMS of exporting with particular reference to Brazil, receive consideration in "Seventy-five Don'ts in Exporting," a booklet published by the American Chamber of Commerce at Sao Paulo, Brazil. The recommendations made in the booklet are based on the experience of the officers and directors of the Chamber, and other representatives in Brazil of American manufacturers and exporters.

The booklet is bound with board covers, and copies may be obtained, post paid, from the American Chamber of Commerce at Sao Paulo for S1 each.

A Tourist Bureau That Pays

A TOURIST information bureau open day and night is a helpful service offered by the chamber at Ottawa, Illinois. Many tourists remained overnight in Ottawa, and were lodged in private homes through direction of the chamber's bureau. The importance of the tourist travel is reflected in the reported increase of thousands of dollars over normal sales.

College Courses for Business Men

OURSES in cost accounting, business English and economics are offered by a college at Evansville, Indiana, in cooperation with the Chamber of Commerce. As explained by Sparks from the C. of C. Anvil:

. . . Three of the courses are designed particularly for business people. They will be held at the Chamber of Commerce rooms at 7.30 p. m. on the respective days, beginning October 8, 9, and 10. The fee is five dollars for twelve weeks, one hour a week. Students may secure college credit in this work by

meeting certain requirements, but any persons interested may enroll for the work. . . . The members of the chamber are urged to do two things; first, to enroll for one or more of the courses, if possible; second, to urge capable and ambitious employes of their acquaintance to enroll for these courses. These courses are all of a practical nature, and are given by people who are well qualified and

ell known.

Miami Aids Oklahoma Farmers

CHARACTERISTIC of chamber of commerce activities in behalf of farming communities is the practice of the chamber at Miami, Okla-In the direction of this work, the chamber's activities include practical aid to the farmers through demonstration and education, coordination of effort in the solution of the problems of each farmer, fellowship relations. All departments of the chamber take part in the application of the chamber's plan, which is spe-cifically addressed to soil analysis, grain raising, live stock and dairying, rotation of crops, and diversified farming.

Near Miami are located five demonstration farms with five-acre plots operated by managers paid by the owners. The plots are sub-divided in accordance with the practice at the University of Illinois. The county agent and members of the staff of the Oklahoma A. and M. College have charge of the selection of seeds and the treatment of soils. Tablet records are set up on the demonstration plots to give the treatment of each particular plot. The county agent also

keeps a similar record.

To further the educational and fellowship work, the chamber has provided a truck which carries

a generating unit for use in lighting places of assembly in rural communities. A motion-pic-ture machine, a radio receiving set, and a piano are also mounted on the truck. Singing, educational pictures, radio concerts and talks on agricultural problems make up the evening programs. Administration of this phase of the plan is facilitated by dividing the county into five sections, each under the supervision of a "key" man who heads a committee of workers in his section.

A notable feature of the fellowship activities is the annual "Imaim Amohalko fiesta," to which come farmers and their families from the whole trade region of northeastern Oklahoma. day of the festival is given to round-table discussions led by representatives of the A. and M. College, of implement manufacturers, of rail-

roads, and of similar interests related to the state's agricultural development.

The annual festival is supplemented by monthly concerts held in Miami under the auspices of the chamber, with band and orchestra music and songs by clubs and societies. The programs end with fifteen minutes of singing, in which the townspeople and the farmers join in singing the words of old songs projected on a

large screen.

large screen.

On the first Monday of each month the chamber holds a sales day. City dwellers and farmers bring their goods and stock, list it, and at 10 o'clock an auctioneer begins crying bids. The sale continues until everything is sold. To encourage the raising of good stock the chamber, selling tickets to each merchant to give to his customers during the month is enabled to give customers during the month, is enabled to give to the holder of the winning ticket a pure-bred hog, or cow, or a coop of chickens. Merchants take extra space in the newspapers to advertise their offerings for the sales day, and the chamber advertises the stock list.

The chamber's efforts in behalf of the rural community are breaking down imaginary differences between urban and rural business men; they have demonstrated that alfalfa is a profitable crop, and have helped to raise the quality of the live stock so that it is up to prize-winning standards at the Kansas City and Chicago shows.

-M. W. KRIEGER.

Canton Pupils to Know City

PUPILS in the public schools of Canton, Ohio, are to become informed on the city and its industries under a plan prepared by the superintendent of schools, Wilson Hawkins.

The plan includes a series of questions which the pupils are to answer. To aid the pupils, the board of directors of the Chamber of Commerce decided to issue a special bulletin to be distributed among the pupils in the public and in the parochial schools. The bulletin gives informa-tion concerning the city's history, its industries and its business enterprises

Mr. Hawkins's plan applies to all pupils above the fifth grade. Each pupil is to write an essay on some phase of the city's history, commerce,

or industry.

Coming Business Conventions

Da	te City	Organization
ec.	3	American Fur Dealers Asso-
		ciation.
	4 Chicago	. American Association Cream-
	A M. CHATCHES CO.	ery Butter Manufacturers. National Glass Distributors
	4-5. Pittsburgh	Association.
	F 7 Chicago	National Association of
	5-1. Chicago.	Amusement Parks.
	6-7 Absecon (N. J.	. National Council of Furni-
		ture Associations.
	6-8. Memphis	International Associations of
		Fairs and Expositions.
	6-8 Buffalo	. National Society for Voca- tional Training.
	7-8	National Association of Piano
	1-911	Bench and Stool Manu-
		facturers.
	11 New York	. Converters Association.
	12Barre	. Barre Granite Manufacturers
		Association.
	12 New York	. Linseed Association.
	12 New York	Shoe Polish Manufacturers
	- an Mark	Association of America. Toy Manufacturers of the
	17-18. New 101k	United States.
	10 New York	. Motor Truck Association of
	18	America, Inc.

UYERS of lumber and timbers who seek dependable, carefully manufactured stock and shipments when promised will appreciate Long-Bell service and the uniform dependability of Long-Bell trademarked lumber and timbers. The long experience of this company and its rigid manufacturing requirements are important factors in making this service and quality possible.

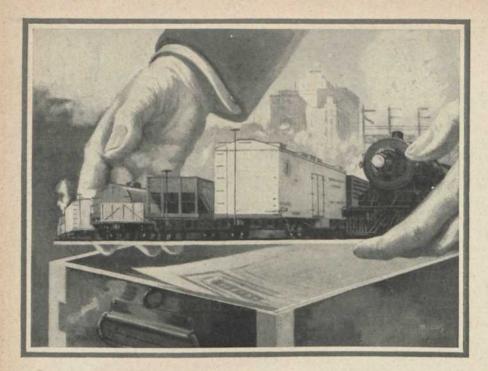
- 1—Long-Bell lumber products come from virgin forests.
- 2-Each log is cut and manufactured for the purposes to which it is best adapted.
- 3-Milled in our own mills, all operating with modern machinery under a uniform process and efficient supervision.
- 4-Unsurpassed accuracy and thoroughness at every step of manufacture.
- 5—Surfaced (planed smooth) four sides.
- 6—Unusual care in trimming.
- 7-Full length-uniform in width and thickness.
- 8—Uniformity of grading.

- 9—Uniform seasoning.
- 10—Lower grades receive the same care and attention as upper grades.
- 11—Correctly piled and stored —carefully shipped.
- 12-Minimum of carpenter labor-planing, sawing and sorting-necessary to put it into construction.
- 13-Minimum of waste, due to uniform quality.
- 14—The product of a lumber company 48 years in the business.
- 15—Long-Bell Lumber can be identified by the Long-Bell trade-mark on the end of the piece.

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The Long BUILDING Lumber Company

LONG-BELL LUMBER & TIMBERS



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verlapping sheet ays each account or division. It

Government Aids to Business

Outstanding activities of the International Seaman's Union of America are reviewed in Bulletin No. 342 issued by

Activities Are Reviewed

Seaman's Union the Bureau of Labor Statistics, Department of Labor. Separate chapters are given to jurisdictional disputes, attempts to

maintain war-time gains, and the struggle within the organization against the I. W. W., and there is also consideration of the union's international relations, particularly the efforts to obtain cooperation among the seaman's unions of the

principal maritime countries.

The union was organized in 1892, and from that time until 1915, when the seaman's act was passed, it is said that probably no other American union has spent so much time and money in behalf of desired legislation.

in behalf of desired legislation.

Evaporation losses of gasoline in storage amounts annually to about 3 or 4 per cent of

Losses of Gasoline by Evaporation the stocks accumulated during the winter, says the Bureau of Mines in pointing out the importance of using cooling systems in vapor-tight tanks.

Not only is volume reduced by evaporation, but the characteristics of the gasoline are changed.

Vapor-tight tankage is recommended by the bureau to reduce evaporation losses because it will prevent the renewal of air over the surface of liquid in a tank, except when a tank is filled or emptied or when considerable changes of temperature are in effect.

Some refiners have installed cooling systems in their storage tanks, but the bureau asserts that cooling systems installed on tanks other than vapor-tight tanks are not effective and are believed to be a waste of money. Experiments with water sprays demonstrated that they have a maximum cooling effect when placed so that wind and air currents will not carry the water from the tank roof, thus wetting only one part of the roof.

The Bureau's investigation is reported in Serial 2531, obtainable from the Bureau of Mines,

Washington, D. C.

The cause of blistering of enameled cast iron may be discovered, and means developed to con-

Blistering of Enameled Iron

trol and to eliminate it through the interest of the Bureau of Standards. Several typical castings have been coated with representative enamels,

and all of the castings will be examined for blistering. For the detection of any changes produced by the enameling, microphotographs will be made of the surfaces.

Producing and refining methods for the treatment of oil shale continues to interest the Bureau of Mines. The bu-

The Producing and Refining of Oil Shale

reau is doing its research work in cooperation with the state institutions in Colorado, Utah, and Indiana.

At the laboratory in Boulder, Colorado, the At the laboratory in bounder, Colorado, the Bureau has experimented with various designs of retorts. At the University of Utah the work has included a study of the distribution of sulphur and nitrogen in oil shale and its products, the contribution and examination of known the the separation and examination of kerogen, the approximate and ultimate analyses of the shale and ash, the determination of the best conditions for recovering ammonia or other nitrogen products from American shales, and thermal decomposition of the oil-yielding materials from

At the University of Indiana the work includes the study of the geology of the shale deposits throughout the state, and the examina-

Twenty-one Presidents of Corporations

tell us that they bought \$2,059,244.81 worth of goods from regular NATION'S BUSINESS' advertisers during the last twelve months.

Seven	bought	from	American Radiator Corporation pro	oducts	totaling	\$37,894.50
Eight	"		Art Metal Construction Company		"	79,868.77
Seven	cc	66	Edison and National Mazda Lamp Wor	rks "	"	137,721.69
Fourte	en "	"	General Electric Company	"	"	970,450.46
Thirtee	en "	"	Underwood Typewriter Company	"	"	23,514.39

DO these same executives buy your products? Did they see your sales messages in NATION'S BUSINESS during the year? They are a part of the great audience reading this magazine monthly—now more than 126,000 business men.

Sales and advertising managers owe it to themselves and their organizations to investigate Nation's Business as a means of reaching directly customers like the above.

We have prepared a chart showing purchases made during the last year from these and other regular NATION'S BUSINESS' advertisers.

If you are interested, we shall be glad to send a copy to you or your advertising manager or your advertising agent.

The NATION'S BUSINESS' audience numbers 126,000 subscribers
This report covers purchases by only 21 subscribers

The NATION'S BUSINESS

WASHINGTON

For a brief statement of who reads the NATION'S BUSINESS turn to page 82



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Wants Information on Parcel Post Insurance

Bureau of **Canadian Information**

The Canadian Pacific Railway through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In the Reference Libraries maintained at Chicago, New York and Montreal are complete data on natural resources, climate, labor, transportation, business openings, etc., in Canada. Additional data is constantly being added.

Development Branch

If you are considering the establishment of your industry in Canada, either to develop Canadian business or export trade, you are invited to consult this Branch. An expert staff is maintained to acquire and investigate information relative to Canadian industrial raw materials. Information as to such raw materials as well as upon any practical problem affecting the establishment of your industry, including markets, competition, labor costs, power fuel etc. is available labor costs, power, fuel, etc., is available.

No charge or obligation attached to the above service. Busi-

ness men and organizations are invited to make use of it.

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tion of numerous samples collected from all the deposits. The bureau asserts that Indiana has extensive deposits of valuable oil shale, although the shales are not as rich as the western shales.

A series of reports on the Indiana shales has been issued in mimeographed form.

The bureau's refining experiments have been largely centered on the refining of gasoline or motor fuel from shale oil. Although incomplete, the experiments have shown that good grades of these products can be obtained from shale. of those products can be obtained from shale oil.

Where do Chinese go when they migrate? Answer is made by the Bureau of Labor Statis-

Some Aspects of Chinese Migrations

tics, Department of La-bor, in Bulletin No. 340, prepared with special ref-erence to labor conditions. The countries included in

Migrations

The countries included in the inquiry are those in which the maximum number of Chinese have at some time reached at least 50,000, with the exception of some far-eastern countries and islands for which sufficient information was not available. Migrations from the seventh century to the present time are reviewed in the study, which considers the historic, social and economic phases of the movements of populaeconomic phases of the movements of popula-

The bureau attributes the migrations to economic pressure, and concludes that where conditions have been favorable, business and trade have been successfully maintained, but that the immigrants have had to face social and legal discriminations, and that their presence in for-eign lands has frequently complicated international relations.

Economic aspects of the migrations are presented in considerations of the chief occupations of the Chinese, and their activities in different branches of industry. Social aspects include education, government, social organizations, racial discriminations, customs and manners, and interracial marriage and fusion.

Motor benzol may serve as a satisfactory gasoline substitute when refined by the use of sul-phuric acid or silica gel,

Use of Benzol as Substitute For Gasoline

but crude motor benzol can not be used satisfac-torily until after the re-moval of certain compounds which form gum-

my deposits and eventually stop the engine, asserts the Bureau of Mines. Motor benzol, the bureau explains, is a by-product from the de-structive distillation of coal.

Production of refined motor benzol varies from 1½ to 3 gallons from each ton of coal carbonized. No engine trouble of any kind developed with the use of acid refined or silica-

gel refined motor benzol.

The results of the benzol tests made by the bureau are given in Serial 2517, which may be obtained from the Department of the Interior, Bureau of Mines, Washington, D. C.

Seasonal variations in the characteristics of summer and winter gasoline are approaching the

Less Seasonal
Variations in
Motor Fuels

Motor Fuels

Motor Fuels

Mines after its eighth semi-annual survey of motor fuels sold in New York, Washington, Pitts-Orleans, St. Louis, Denver, Francisco, and Bartlesville, irreducible minimum, con-

Oklahoma.

Very little difference in the boiling point range of the gasoline sold during July of last year and that sold during July of this year was disclosed by the tests. The difference between gasoline sold in January, 1923, and July, 1923, indicates a slight decrease of volatility in the gasoline sold during last summer. Of the 158 samples collected, the bureau says, 109 failed to meet the federal specifications revised October samples collected, the bureau says, 109 laned to meet the federal specifications revised October 21, 1922. The divergence from the federal specifications was only a few degrees for the majority of the samples analyzed, the bureau

What's COMING this WINTER?

Will business pick up -or slump?

What will happen to prices?

How about the credit situation?

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MEMO for Your Secretary

Write Babson Statistical Organization, Babson Park, Mass., as follows: Please send, without obligation, copy of your Barometer Letter No. Z41 and booklet "Steady Business Profits" explaining the Babson Method.



Every Shipper Needs this Reference Book

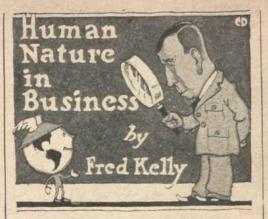
28Pages-80 Illustrations

HERE is an invaluable guide for shippers Not a catalog but a complete, pocket-size manual, con-taining all the information the shiptaining all the information the shipper needs for proper and economical selection. packing, sealing and shipping of corrugated fibre boxes. Hundreds of pages of complicated packing regulations — boiled down into simple, easy-to-follow instructions.

This manual tells how to select the right type of box. Shows how to pack various products correctly and how to seal every style of corrugated fibre box. Complete. Convenient. Authoritative And yours for the asking. Write today

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MAIN and COMPANY



NEARLY every business letter I receive confirms my belief that no branch of business is carried on so stupidly as ordinary correspondence. Not only does the silly striving for pompous phraseology provide bad English and dull reading; it is wasteful. Every foolish or obsolete word in a letter takes the time of the man who dictates it and the stenographer or typist who writes it; still worse, it takes up unnecessary time of the man who receives it-so much so that perhaps he gets disgusted at the first glance and reads no farther. Thus the letter defeats its purpose. I rarely see a business letter in which the same thoughts could not be expressed more clearly with only about half the number of words. We ordinarily attempt to be more painstaking, more exact, and to proceed with less wasteful motion, in our business than in our pleasures. Yet social correspondence usually gets to the point much quicker than a business letter. Just recently I wrote and asked a friend if he were free for Tuesday evening. He promptly replied simply: "Yes. What's up?" Now, if he had dictated his reply at the office, he would unconsciously have fallen into the usual idiotic business jargon and replied somewhat as

"Your kind inquiry of even date to hand and contents noted. In reply to same, beg to state that I have no engagement for Tuesday evening and I should greatly appreciate an ex-pression from you as to the motive of your inquiry regarding the disposition of my time for that evening. Assuring you of my wish to be of whatever service I can in this matter, and to accommodate myself to your wishes, I beg to remain-etc."

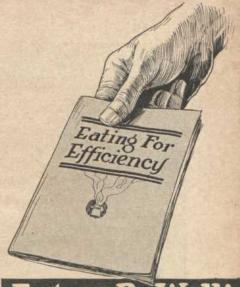
Why do business men always say "same" when they mean "it?" Why should we use a kind of phraseology in business letters that we

never use in conversation, in writing for publication, or even in other kinds of letters? Presumably, the reason all business letters are so much alike is that each writer wants to show his familiarity with standardized business forms and customs. If one must have his letters standardized, why not also have them

simplified and clarified?

All this reminds me that a successful banker I know is of the opinion that much time is wasted by answering letters promptly. He says that when he waits four or five days to answer a letter it usually doesn't require an

ABIG concern manufacturing automobile tires has a billboard on Riverside Drive, New York, strategically placed to shut off one of the most magnificient views of the Hudson. Anyone trying to look at the scenery is bound to see this sign and thus be impressed with the name of a certain tire. It must have been the advertiser's theory, in placing the sign thus conspicuously, that at least a small percentage



Eat and Be

F you want to keep well-up to "top notch"-strong, healthy and efficient, you must know how and what to eat. The usual "self prescribed" dietary has many faults which become a positive menace to increased health and energy -due to the fact that certain vital food elements are generally lacking in the diet.

"Eating for Efficiency"

is a condensed set of health rulesmany of which may be easily followed right in your own home, or while traveling. You will find in this little booklet a wealth of information about food elements and their relation to physical welfare.

Control Your Weight Without Drugs or Tiresome Exercises

Effective weight control diets, acid and bland diets, laxative and blood building diets; and diets used in the correction of various chronic maladies.

The book is for FREE circulation. Not a mail order advertisement. Name and address on a card will bring it without cost or obligation.

Health Extension Bureau 434 Good Health Building, Battle Creek, Mich.

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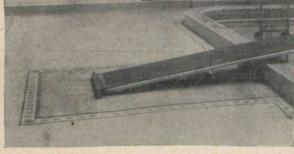
Health Extension Bureau, 434 Good Health Building, Battle Creek, Michigan.

Please send me your FREE book on diet-

"EATING FOR EFFICIENCY."



Alundum Safety Tile used in the Theodore Roosevelt High School, Wyandotte, Michigan.



ALUNDUM Safety Tile Makes the Edge Slip-Proof

Swimming pool accidents usually occur at the edge of the pool.

Alundum Safety Tile finds its principal use around the edge of the pool or as the top surface of the curb and for the spring board rest. The architect of the Theodore Roosevelt High School, in Wyandotte, Michigan, has successfully carried out such a plan, illustrated here. A slip-proof floor is equally desirable for the showers.

Alundum Safety Tile is furnished in ceramic mosaic, standard tile sizes and precast treads.

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T-82

Sydney Anderson writes again in the January, 1924, number

"The Case as to Distribution," by the Hon. Sydney Anderson, which appeared eleven months ago in The Nation's Business, has been discussed and reprinted more widely throughout the year than any other article we have ever published. We predict even greater interest in the new article which Mr. Anderson is now writing for the January, 1924, number. Look' for it. Subject: "Will Cooperation Solve the Marketing Problem?"

of all who see it will be reminded of that make of tire and that this will lead to sales. But I wonder if the result is not fewer sales than if the sign were not there. I personally have been so irritated at the sight of the sign marring a glorious bit of scenery, that I long ago vowed never again to buy the make of tires thus advertised. And there are others. Carl Akeley, famous sculptor and big game hunter, at a meeting in the Century Club, New York, happened to mention that sign and everybody present made a verbal pledge never to use that make of tire.

IF I can avoid it, I'm never going to wear a certain brand of union suit. Every time I pick up a magazine I see a picture of a man who has just finished inserting himself into a new union suit and he is smiling in a manner that to me seems silly. It isn't that I object to men smiling, but there is no need for one to grin and giggle just because he has new underwear. I'm determined that I won't wear the same kind of underpinnings that this chap does. And now I find that too much facial expression in certain advertisements has an adverse effect on many persons. A recent psychological investigation showed that smiling children in advertisements of toys was effective. So were pictures showing a marked degree of satisfaction over certain kinds of sporting goods. But faces showing only a modest degree of pleasure in advertisements of clothing or furniture, seemed most likely to carry conviction.

STILL another investigation showed facts that might surprise advertisers. It was learned recently by a house-to-house canvass that the great majority of users of tooth paste base their selection on the flavor of their favorite kind. This was true both in the poorer sections and in the more fashionable parts of the city. Yet most advertising for tooth paste stresses the scientific reasons for its efficacy rather than the flavor. People evidently assume that brushing the teeth is a nuisance at best and that they are at least entitled to use something pleasing to the taste. They probably assume that almost any well-known brand has scientific merit; hence they ignore that more generally advertised feature and pick for flavor.

WE SEE much in the papers and magazines about the distressing lot of the poor farmer. I have had intimate dealings with farmers for several years and reach this conclusion: The reason many farmers are not successful is because farming requires greater intelligence than any other line of business—but rarely gets it.

THE PROPRIETOR of the best grocery in a middle western city of nearly a million people declares that his customers enjoy the fun of finding out where the best goods are sold—without always being told just why they are the best. "You might think," he suggests, "that a prune is a prune wherever found. The truth is that the best prunes are raised in a certain area only about 40 square miles. We sell prunes only from that section. Customers discover that they get prunes of better flavor here than in various other stores. If we said too much about our prunes it would only arouse greater competition. The same thing is true of canned fish, such as sardines. We happen to know that they improve with age and never sell them until they have been in our warehouse for six months. Yet we never say anything about this. Customers gradually find out that our sardines are better than most others. They enjoy finding this out for themselves more than if we told them about it."

A FRIEND of mine recently sought a charge account in a big sporting goods store. He had no local references, and the credit man asked him several questions. Did he care to buy anything right away? No, the customer explained; he simply wished to have the account established, lest he should need something from them while on a trip. Did he care to have permission extended to anybody else to charge goods to his account? Emphatically no! "All right," the credit man said, "you may have a charge account for as much as you want.

"What made you suddenly decide that my credit is good?" asked the customer.

"You were in no rush to buy," the credit man replied, "and you did not want anybody else in your family to charge things to you, It looks as if you buy only what you need and intend to pay for what you buy."

It looks as if you buy only what you need and intend to pay for what you buy."

STATEMENT of the Ownership, Management, Circulation etc., required by the Act of Congress of August 24, 1912, of The Nation's Business, published monthly at Washington, D. C., for October, 1923.
City of Washington, District of Columbia, as a control of the Nation's Business, and District aforesaid, a green of the Nation's Business, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, swern according to law, deposes and says that he is the Editor of The Nation's Business, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, and the statement of the ownership of the Nation's Business, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, 1912, embodied in section. 443, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the mames and addresses of the publisher, chimotopic of Commerce of the United States, Mills Building, Washington, D. C. Managring Editor, J. W. Bishop, Mills Building, Washington, D. C. Editor, Merle Thorne, Mills Building, Washington, D. C. Editor, Merle Thorne, Mills Building, Washington, D. C. Busington, D. C. Managring, Editor, J. W. Bishop, Mills Building, Washington, D. C. Busington, D. C. Managring, Editor, J. W. Bishop, Mills Building, Washington, D. C. Busington, D. C. Busington, D. C. Managring, Editor, J. W. Bishop, Mills Building, Washington, D. C. Busington, D. C. Busington, D. C. Busington, D. C. Busington, D. C. District of Columbia, its set of the property of the date of the District of Columbia, its set of the Columbia, the set of the Columbia, the Columbia of the Columbia of the Columbia, the Columbia of the Columbia of the Columbia, the Columbia

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It is an asset that can be emphasized in selling or advertising as much as good heating, ventilating or elevator service.

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